

Work Session Item D-1

FY2025-26 Personnel Services Proposal Compensation, Benefits and Staffing



July 15, 2025

Personnel Committee

Committee Members

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



FY2025-26 Personnel Services Proposal

- Full Time Equivalent Employees
- Compensation History
- Police and Fire Department Step Plan Changes
- Market and Merit Proposals
- Fiscal Year Comparison for Total Personnel Cost
- Attrition
- Benefits
- Wellness Initiatives
- 89th Legislative Session
- Future Goals



Full Time Equivalents (FTEs)

Fund	FY 24-25	FY 25-26
General Fund	248.44	248.44
W/WW Fund	41.48	41.48
Drainage Fund	8	8
IT Fund	7.1	7.1
The Keller Pointe	43.2	43.2
Crime Control	1	1
Total	349.22	349.22



Compensation History

Public Safety	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	FY 24-25	Average
Market	2.00%	1.50%	5.00%	4.00%	1.25%	4.00%	3.00%	3.00%	3.50%	3.00%	
Merit	2.00%	1.50%	-	-	-						4.98%
Step	-	-	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Total	4.00%	3.00%	7.00%	6.00%	3.25%	6.00%	5.00%	5.00%	5.50%	5.00%	
Step Removal									2.00%	2.00%	5.38%
Total	4.00%	3.00%	7.00%	6.00%	3.25%	6.00%	5.00%	5.00%	7.50%	7.00%	

Note: Chart applies to sworn police and fire employees, not all employees working within those departments.

General Gov't	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	FY 24-25	Average
Market	2.00%	1.50%	1.00%	1.50%	1.75%	2.00%	0.00%	2.00%	2.00%	2.00%	
Merit	2.00%	1.50%	2.00%	2.00%	1.50%	2.00%	4.00%	2.00%	2.00%	2.00%	3.68%
Total	4.00%	3.00%	3.00%	3.50%	3.25%	4.00%	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
- In FY 24-25 steps were reduced from 13 to 12

Objective: continuous recruitment and retention improvements

Proposed Adjustments for FY 25-26

- Increase Step Plan by 1.75% (market adjustment)
- Remove Steps 1 and 2, reducing Police Officer and Firefighter plans from 12 to 10 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 7.75% for some police officers and firefighter

Public Safety Recruitment Efforts

- Increased Sign-On Incentive from \$5000 to \$7500 for certified Police Officers and Firefighter/Paramedics
- Offered lateral entry for certified and experienced Police Officers and Firefighter/Paramedics (placement on step plan commensurate with years of experience)
- Offered Flexible Testing Opportunities – weekends, evenings, multiple examinations within a short period
- Expanded use of social media
- Utilization of over hire positions



FY 25-26 Market & Merit Proposal

General Government

- 2% Market for all positions
- 2% Merit with favorable annual performance evaluation
- Minimum merit increase of \$1,250
- Lump sum for employees at max pay grade: 2%
- Overall Impact: 1.37% or \$393,769

General Government: Public Works, Parks and Recreation, Library, Senior Center, Police and Fire Administration (Sworn-Exempt), Animal Control, Records, Human Resources, Information Technology, Community Development, Town Hall Administration and Operations and Finance

Police and Fire

- **Police Officer and Firefighter**
 - 1.75% Market
 - 2% Merit/Step with favorable annual performance evaluation
 - 4% Removal of Steps 1 and 2
 - Lump sum for employees at max pay grade: 2%
- **Police and Fire Supervisory Positions (Sworn Non-Exempt)**
 - 1.75% Market
 - 2% Merit/Step with favorable annual performance evaluation
 - Lump sum for employees at max pay grade: 2%
 - Fire: 4% Removal of Steps 1 and 2 for Driver/Field Training Paramedic and Captains step plans
- Overall Impact: 3.01% or \$862,921

FY 25-26 Market & Merit Proposal

NETCOM & Detention

- 1.75% Market NETCOM
- 1.75% Market Detention
- 2% Merit/Step with favorable annual performance evaluation
- 4% Removal of Steps 1 and 2
- Lump sum for employees at max pay grade: 2%
- Overall Impact: 0.48% or \$137,836

Fiscal Year Comparison

Total Personnel Cost

Fund	FY 2024-2025	FY 2025-26	Variance (\$)	Variance (%)
General Fund	\$ 29,366,736.00	\$ 30,385,205.00	\$ 1,018,469.00	3.5%
W/WW Fund	\$ 3,669,272.00	\$ 3,724,880.00	\$ 55,608.00	1.5%
Drainage Fund	\$ 710,351.00	\$ 735,349.00	\$ 24,998.00	3.5%
IT Fund	\$ 969,215.00	\$ 1,038,798.00	\$ 69,583.00	7.2%
The Keller Pointe	\$ 1,690,660.00	\$ 1,815,932.00	\$ 125,272.00	7.4%
Crime Control	\$ 129,395.00	\$ 135,113.00	\$ 5,718.00	4.4%
TOTAL	\$36,535,629	\$37,835,277	\$1,299,648	3.56%

Attrition

City Wide						
Separation Type	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25*
Voluntary	31	39	40	26	37	23
Involuntary	12	6	3	7	8	2
Retirement	4	4	8	12	8	9
Other	0	3	0	0	0	1
Total Separations	47	52	51	45	53	35
Attrition Rate	15%	16%	16%	14%	16%	11%

*Attrition rate through June 30, 2025

FY 25-26 Employee Benefits

Medical (BlueCross BlueShield)

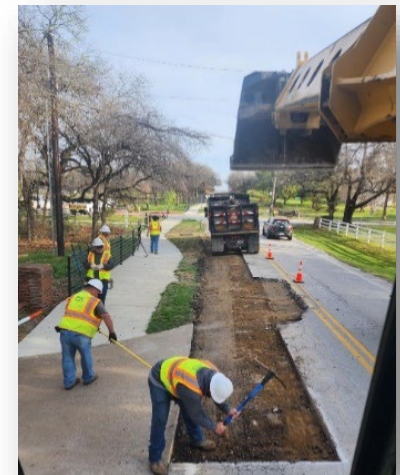
- Self-Funded/Renewal for 10/1/2025 – 09/30/2026
- Current Renewal for Administrative Fee: 3%
- Current Renewal for Stop Loss Coverage: 4%
- Proposal: No plan design change or change to premiums
- **5th** year maintaining premium costs

Dental (BlueCross BlueShield)

- Self-Funded/Renewal: Flat
- No plan design change or change to premiums
- **6th** year maintaining premium costs

Vision (United HealthCare)

- Employee Only Contribution
- Renewal 15% Increase - \$0.41 to \$1.21 per pay period increase
- No plan design change



FY 25-26 Employee Benefits



Life/Disability Insurance (Mutual of Omaha)

- Renewal 10/1/2024 – 09/30/2026 (2 Year Rate Guarantee)
- 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%
- 2025 Combined Rate: 17.03%
- 2026 Combined Rate: 17.25% (0.22% increase or \$35,000)

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
 - FY 2025-26 Decrease: -28.56% or -\$78,266
- Continued focus on safety programs in FY 2025-26





FY 25-26 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
- **FY 25-26** Initiatives:
 - Enhance Employee Assistance Program offering Family Source option
 - Add "Split-Fill Program" to Pharmacy Plan
 - Add BCBS Point Solutions: Weight loss, managing chronic diseases, diabetes, hypertension and pain management
 - FY26-27: Require age-specific preventative care to receive premium discount





FY 25-26 Employee Wellness Initiatives

Programs

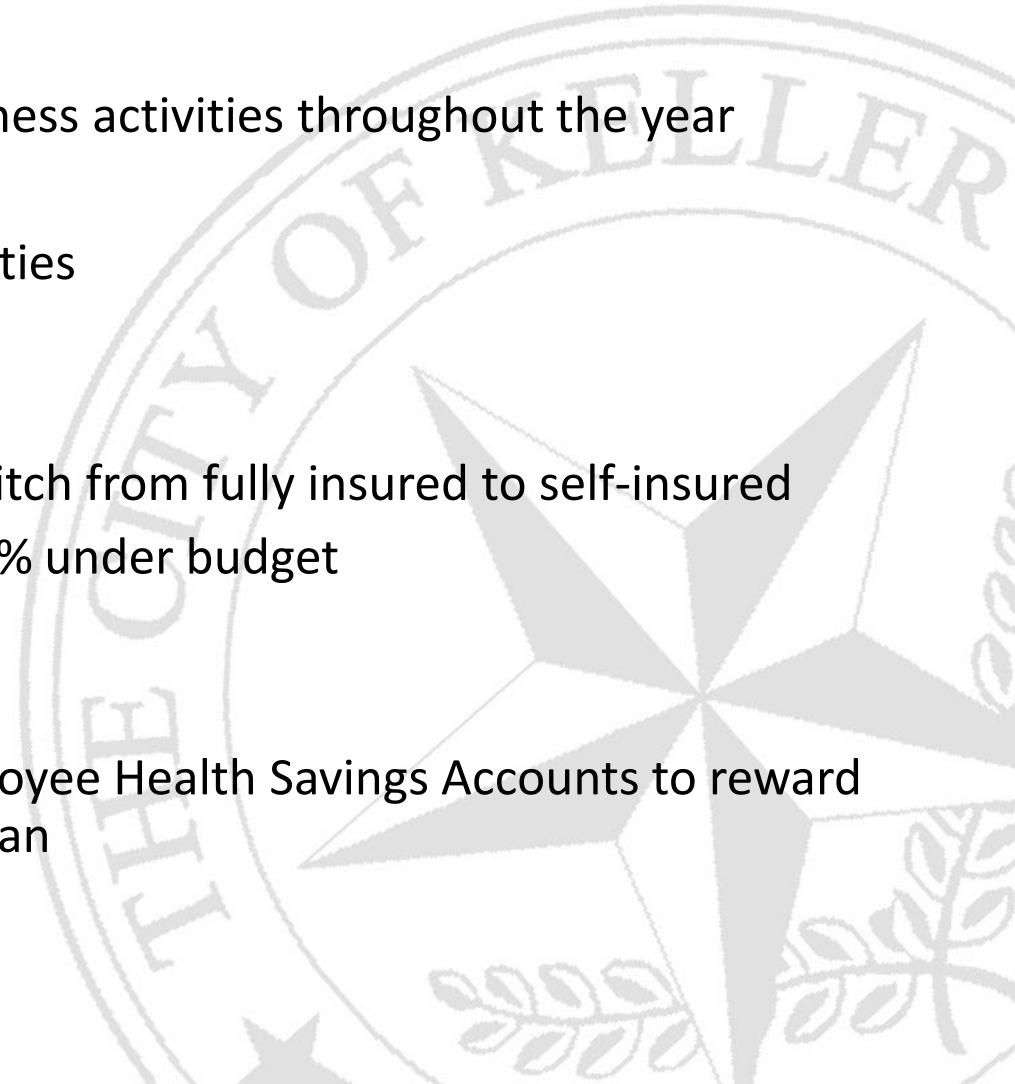
- Wellness discount for participating in wellness activities throughout the year
- On-site Annual Physicals
- Increase number of city-led wellness activities

Self-Insurance Plan Update

- Estimated savings of \$3,460,583 since switch from fully insured to self-insured
- Year to Date (May 2025): \$225,989 or 9.7% under budget

H.S.A. Contribution

- One-time lump sum contribution to employee Health Savings Accounts to reward savings in self-funded health insurance plan



89th Texas Legislative Session



- **H.B. 198 – Cancer Screenings**

- Offer occupational cancer screening in the 5th year and every 3 yrs following
- City requires that Firefighters participate in Frontline screening every other year

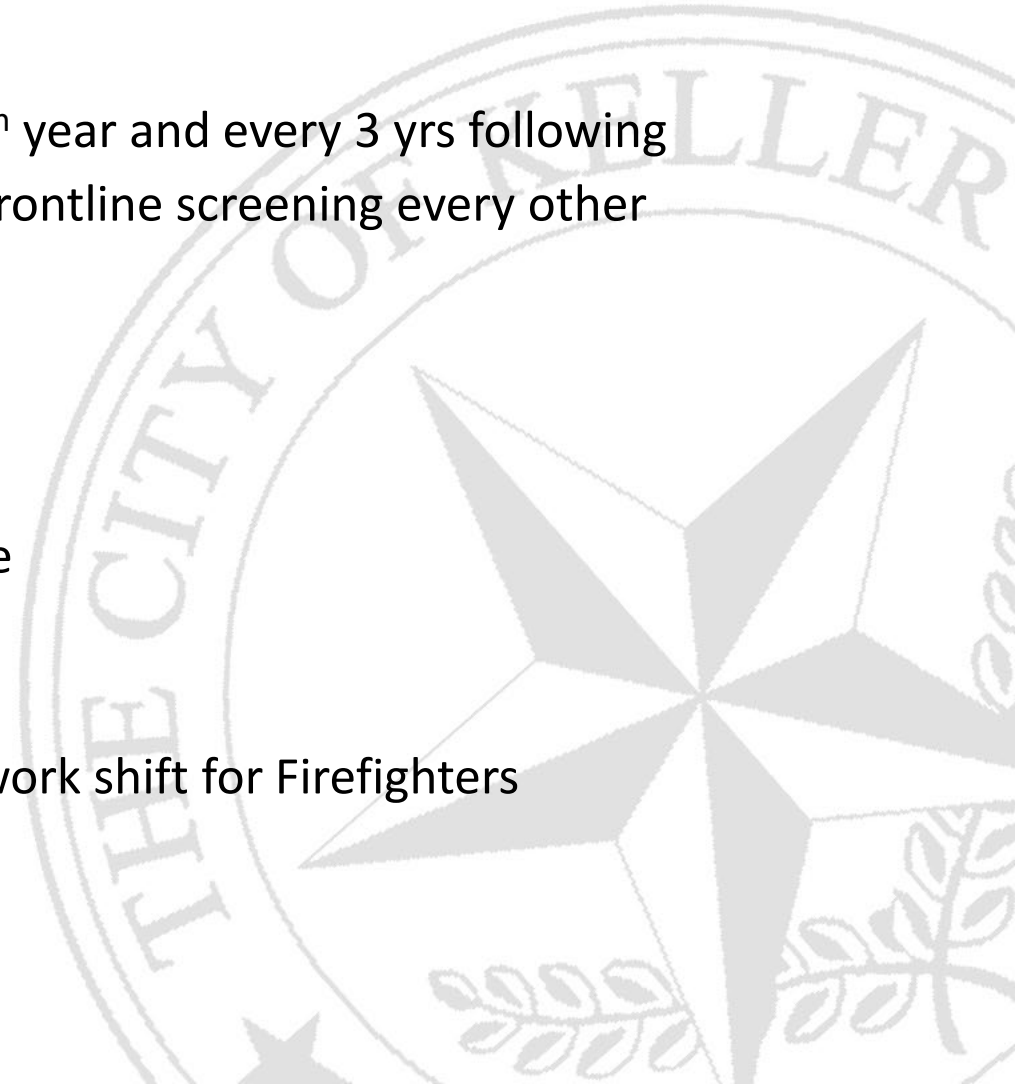
- **H.B. 2237 Severance Pay**

- Limits severance pay to 20 weeks
- Severance agreements must be posted online



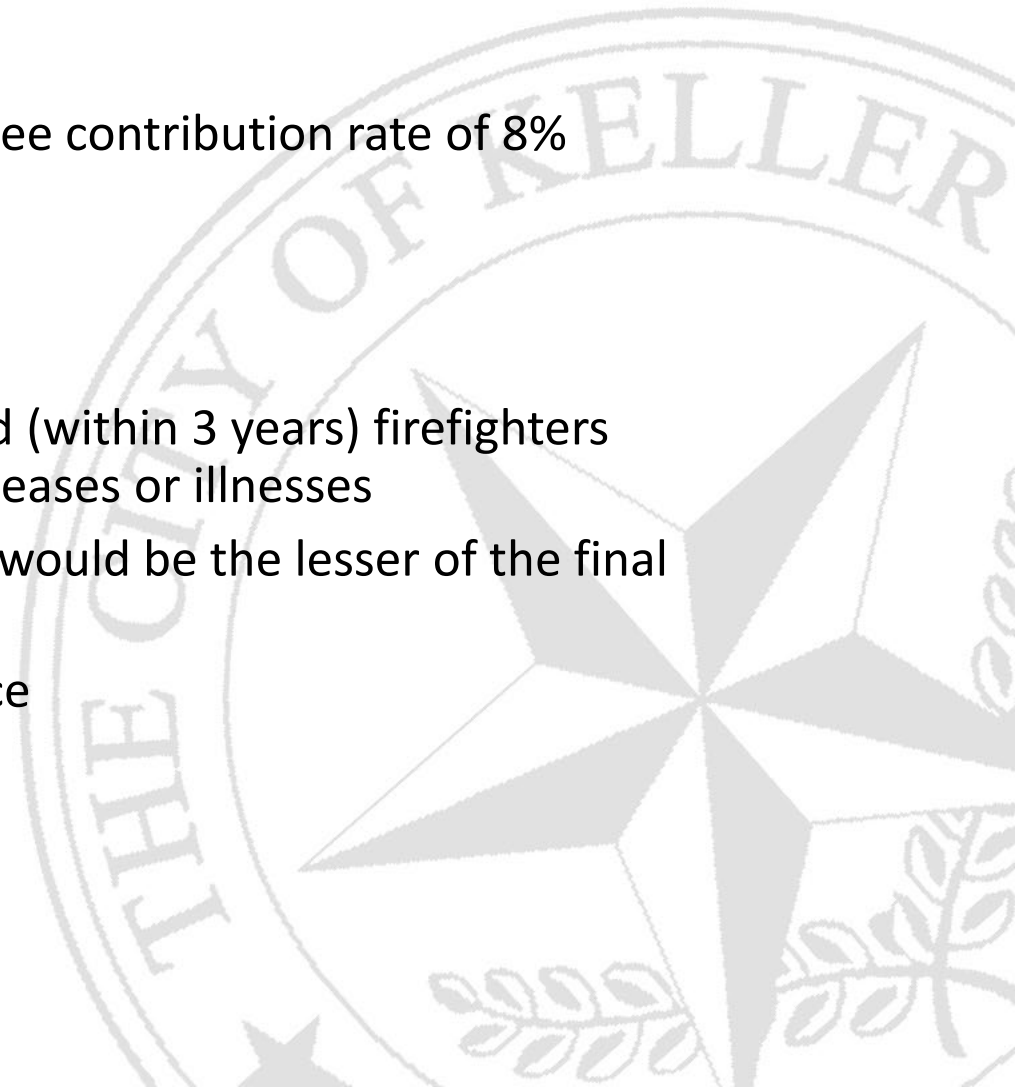
- **H.B. 2513 Military Leave**

- Paid leave of absence is calculated using 24 work shift for Firefighters



89th Texas Legislative Session

- **H.B. 3161 – Texas Municipal Retirement System**
 - Allows municipalities to designate an employee contribution rate of 8%
 - Optional
- **H.B. 4144 – Supplemental Income Benefits**
 - Provides for supplemental benefits for retired (within 3 years) firefighters and peace officers diagnosed with certain diseases or illnesses
 - Lump sum or three equal payments and would be the lesser of the final yearly salary or \$100,000
 - Comparable health benefit plan insurance
 - Subject to increase every 5 years



Future Goals

- Evaluate Retiree Health Insurance Subsidy
- Continue to review Public Safety Pay Plan
 - Continue to reduce steps
 - Revisit percentage between steps
- Review of pay bands for insurance premiums
- Conduct Employee Survey
- Review of Benchmark Cities
- Revision of Performance Evaluation Tool
- Identify outside the box solutions





Questions?
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Director of Human Resources & Risk Management
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FY25 PUBLIC SAFETY PAY PLAN SURVEY

Department :	Fire					Police			
Position:	Firefighter/Paramedic					Police Officer			
Item #	City	Minimum	Maximum	# of Steps		City	Minimum	Maximum	# of Steps
1	Bedford	\$ 74,995.00	\$ 93,514.00	7		Bedford	\$ 73,757.00	\$ 94,748.00	9
2	Burleson	\$ 71,000.00	\$ 89,940.68	9		Burleson	\$ 75,000.00	\$ 95,007.76	9
3	Colleyville	\$ 71,302.00	\$ 91,766.00	Range		Colleyville	\$ 71,302.00	\$ 91,766.00	Range
4	Coppell	\$ 82,500.00	\$ 100,374.00	6		Coppell	\$ 82,500.00	\$ 104,389.00	7
5	Eules	\$ 76,385.00	\$ 98,301.00	6		Eules	\$ 75,904.00	\$ 95,817.00	6
6	Farmer's Branch	\$ 80,460.68	\$ 97,822.62	5		Farmer's Branch	\$ 81,981.08	\$ 106,757.08	7
7	Flower Mound	\$ 78,353.08	\$ 96,349.76	8		Flower Mound	\$ 81,078.40	\$ 99,736.00	8
8	Hurst	\$ 82,497.60	\$ 94,902.57	2		Hurst	\$ 82,888.00	\$ 95,305.60	2
9	North Richland Hills	\$ 81,565.00	\$ 96,402.00	6		North Richland Hills	\$ 82,620.00	\$ 100,520.00	6
10	Southlake	\$ 81,989.95	\$ 98,966.52	Range		Southlake	\$ 81,989.95	\$ 98,966.52	Range
11	The Colony	\$ 78,559.34	\$ 96,628.38	8		The Colony	\$ 80,847.52	\$ 101,142.08	8
	Keller	\$ 71,868.00	\$ 89,311.00	12		Keller	\$ 72,051.00	\$ 89,627.00	12
	Average:	78,146.15	95,906.14			Average:	79,078.90	98,559.55	

CURRENT COMPARISON

Amount Difference \$ (6,278.15) \$ (6,595.14)
 % Difference -9% -7%

AFTER FY2026 PAY ADJUSTMENT

Proposed FY26 Keller	\$ 76,061.44	\$ 90,883.52	10
Amount Difference	\$ (2,084.71)	\$ (5,022.62)	
% Difference	-3%	-6%	

CURRENT COMPARISON

Amount Difference \$ (7,027.90) \$ (8,932.55)
 % Difference -10% -10%

AFTER FY2026 PAY ADJUSTMENT

Proposed FY26 Keller	\$ 76,275.06	\$ 91,145.60	10
Amount Difference	\$ (2,803.84)	\$ (7,413.95)	
% Difference	-4%	-8%	