

# City of Dallas

## Total Compensation Preview for FY06-07

City Council Briefing presented June 21, 2006

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# Total Compensation Taskforce Overview

# Total Compensation Taskforce Background

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- **During the January 19, 2006 City Council briefing the City Manager presented the plan to benchmark the City's total compensation structure. The need to benchmark the plan included the following:**
  - Organize a Total Compensation Taskforce of HR experts representing companies in DFW with the best practice models
  - Align Organization to pursue Council's priorities
  - Create a competitive Total Compensation Package that prepares our ability to attract, recruit, motivate and retain qualified employees;
  - Identify benchmark data that considers local, state & national compensation issues and compare against other major employers.

## **National Trends in Total Compensation**

- **Aon Consulting FORUM (5/2005, Loyalty Institute Article)**
  - What benefits do employees value in the US?
    - Medical insurance ranked first
    - Paid vacation time and holidays rank second
    - Retirement savings plans and employer-paid pension plans rank third and fourth
- **Mercer HR Consulting LLC survey shows many employers enhance total rewards packages (*Mercer HR, press release, 7/2005*)**
  - variable pay like signing bonuses, spot cash awards, and project milestone awards
  - non-monetary recognition awards continue to top the chart
- **BuckConsultants, an ACS company (9/2005, Health Care is Biggest Business Cost Concern...)**
  - Key findings of survey
    - 60% of respondents ranked health care as their first or second greatest business cost concern
    - Organizations reporting success in controlling health care costs tend to:
      - Employ health risk assessments
      - Wellness programs
      - Employee education
      - Systems that track employees' health-related behavior changes

# Total Compensation Taskforce

## *Scope of Work*

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- Evaluate the history of total compensation for the City of Dallas;
- Review all legal considerations regarding total compensation;
- Assess existing pay plans, benefits, incentives and cost to maintain the current structure;
- Study workforce statistics (aging workforce and pending retirements within the City);
- Identify subject matter experts (SME's) to benchmark data that compares with the City of Dallas' total compensation;
- Assist in the development of a total compensation philosophy, and assess the current package's effectiveness in supporting that philosophy;
- The task force shall make recommendations to the City Manager within 120 days segwaying into the "Price of Government" budget process.

# **2006 Total Compensation Taskforce Members**

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**Frank Barnett, V.P. for Strategy Benefit of H.R., ACS**

**Michael Curtis, Manager of Compensation, Southwest Airlines**

**Russell Graves, Director of Compensation, TXU Energy**

**Brian Rankin, Compensation Manager, Texas Instruments**

**Lashon Ross, Human Resources Director, City of Plano**

**Ben Simmons, Managing Director, TD Industries**

The Taskforce was staffed by the Human Resources Department and the City Attorney's Office.

# City of Dallas Total Compensation Benchmark History

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- In 2002 the City had an enormous financial deficit and in order to balance the budget several strategies were developed. As a result, one of the strategies implemented was to increase the amount of cost sharing employees paid for health care.
- In 2003 the City contracted with The Hay Group (National Compensation Consultants) to evaluate the City's total compensation plan. The Hay Group method provides a disciplined system for determining the relative importance and value of different jobs—and the critical relationships between them—within an organization. It is supported by Hay Group's global compensation database, enabling our clients to make more informed and accurate pay decisions.
- Review indicated that:
  - City of Dallas employer-paid benefits are at the 25% percentile
  - 75% of all surveyed employers offer better employer-paid benefits
- In 2004 Dallas Employees' Retirement Fund Study Committee was appointed to develop recommendations regarding the civilian pension fund.
- The Study Committee recommended that the City:
  - Maintain the current benefits offered by ERF
  - Maintain the cost-sharing ratio between City & employee
  - Increase City & employee contributions
    - Automatic future adjustments to contribution levels based on actuarial studies
- In 2006 the City contracted with the Hay Group again to evaluate and compare the COD current rate of pay to the market place.
- The focus of the study included: Rates of Pay, Health Care Benefits, Special Pay, Pension and Leave.
  - City of Dallas employer-paid health care benefits are just below the market median as compared to a blended private and public sector survey.
  - Vacation and sick leave benefits are at the market rate as compared to the public sector and are above the minimum of the private sector.
  - Pension benefits are at the market rate.

# Total Compensation Taskforce Recommendations

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## Total Compensation Philosophy:

- The City of Dallas will create a system of pay for all positions to mirror the market rate minimum.
- The City will update their total compensation study every three years. The next study will be implemented in 2009.

## Health Care Recommendations:

- The Taskforce recognizes the City's health care cost sharing model to be below the market as compared to public and private sector. However, industry trends indicate cost sharing of healthcare benefits in public and private sector are moving toward the City of Dallas' model and encourages the City to stay the course to include:
  - Continue the aggressive approach to vendor management
  - Modifying benefits as needed
  - Continue the Wellness program initiatives

## Vacation and Sick Leave Recommendation:

- The Taskforce recommends that the vacation and leave benefits remain the same and reasons to stay the course are:
  - Leave is a retention tool
  - Highly valued by employees and is an emotional subject matter

## Base Pay Recommendations:

- The Hay Study revealed that among two of the four categories of civilian employees the City was below the market rate of pay. The Taskforce recommends the following:
  - Increase the base pay for below-market employees and it will improve the City's ability to attract and retain new talent.
  - Adjust pay ranges for all positions to align with the market minimum
  - Identify difficult to fill positions and pay at the median of the market
  - Continue the performance appraisal system to achieve the "bell curve" and only allow good performers to be paid at the median market rate.

## Pension System Recommendations:

- No Changes





# **Overview of the City's Health Care Plan**

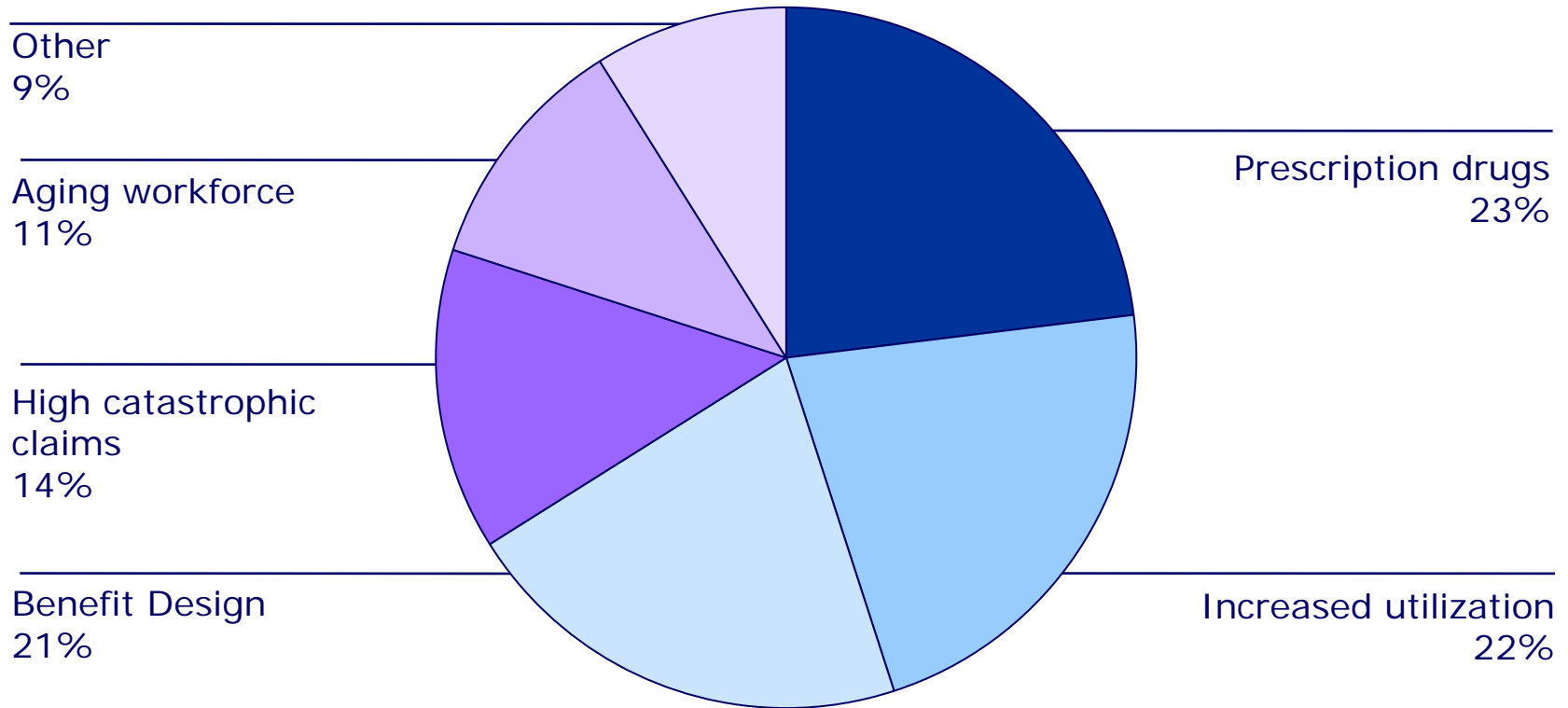
# Health Care Trends in the National Market

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- Double-digit increases in health care expenses
  - Increased cost of medical services (e.g., new technology)
  - Richer mix of services per visit (redundancy through bundled services)
  - Heightened demand for medical services
    - Increased access to and increasing supply of medical information
    - Members not engaged as value-conscious consumers
- Rapidly increasing prescription drug costs
  - Increase of single-source drugs (no generic equivalent)
  - Direct advertising to consumers creating more demand
- Consolidation of payors and providers
  - Fewer choices to employers
  - Bargaining power of consolidated providers (demand higher reimbursements)

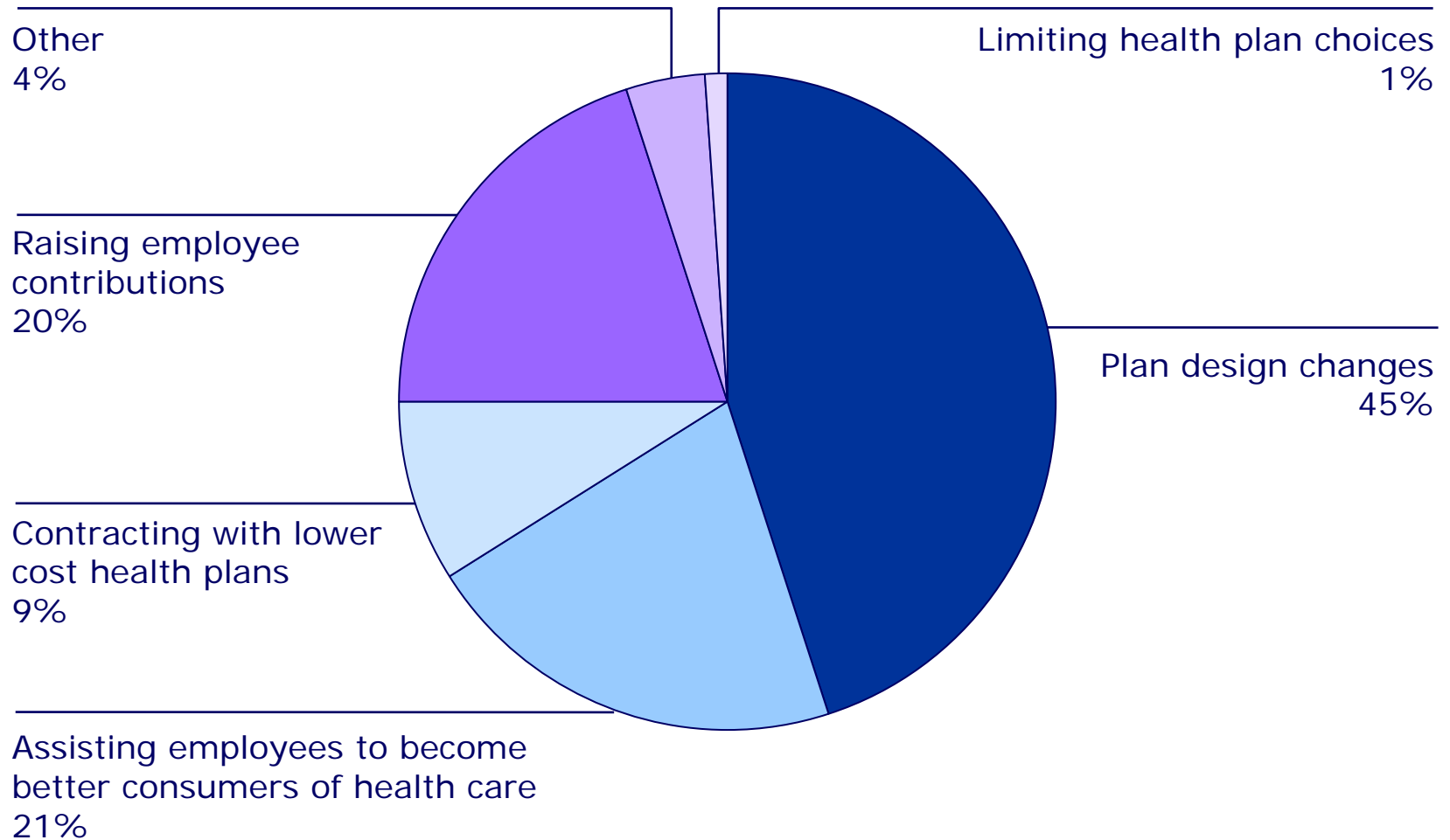
# Factors driving cost increases in the national market

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# Industry strategies for controlling health care costs

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City of Dallas FY05-06 Health Care Budget = \$88.7M

## **Our Shared Challenge**

2007 Industry Trends for medical cost:

*11.5% increase each year!*

## **Our Shared Goal**

“Reduce medical cost trend to a single digit”

## **Our Shared Solution**

“Affordability through equity and partnership”

# Deloitte Projects the City of Dallas' Health Plan Costs

Health Plan Projections – Prepared by Deloitte Consulting as of May 16, 2006

	FY 05-06 Health Budget	FY 06-07 Projections (B)	Anticipated Increase FY06-07
UHC PPO	\$73.4 M	\$78.6 M	<b>\$5.2 M</b>
BC/BS HMO	\$15.3 M	\$17.0 M	<b>\$1.7 M</b>
Total	<b>\$88.7 M</b>	\$95.6 M	<b>\$6.9 M</b>

- (A) The above projections **do not** include any changes to current plan design, delivery systems, or funding mechanisms. Based on 12,018 enrolled PPO employees, and 2,500 enrolled HMO employees. Projections include: medical and pharmacy claims costs, carrier administration, HMO premiums and fixed operating costs.
- (B) FY06-07 projections includes medical trend of 7.8% for PPO and 15% for HMO. In order to address \$6.9M medical cost increase projected for FY06-07 a number of cost avoidance options are being proposed.

# Employee & Retiree Health Care Committee Planning Sessions

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- The general committee met three (3) times this year to discuss health plan issues and seek cost avoidance option for Fy06-07.
  - General meetings were held on:
    - January 13, 2006
    - March 28, 2006
    - June 5, 2006
  - A separate retiree sub-committee continued to meet to develop options for retirees 65 years and older and meetings were held on:
    - June 1, 2006
  - Met with the wellness sub committee
    - February 10, 2006
- The committee made several recommendations regarding the health plan (listed on page 15). Although committee was not able to implement all of their request they support the City Manager's recommendations for FY06-07.

# Employee & Retiree Health Benefit Committee's FY06-07 Health Plan Recommendations

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- Determine the feasibility of EPO option as opposed to an HMO Option
- Determine the strategy to implement an Health Spending Account (HSA).
- Apply Government MEDICARE PART D Subsidy back into the health plan at least 100% of the subsidy.
- Review the prescription plan co-payment options (switch to a mandatory generic drug program or modify prescription plan cost sharing)
- Offer a “deductible forgiveness options” to encourage wellness participation
  - **Develop a Points Reward Program for participation in wellness programs/UHC health coaches\***
  - **Totals can be applied to dollars back/gift certificates/lower premiums in following year\***
- Revisit the existing preventable care program currently offered – Increasing benefits that are tied to incentives (i.e., nicotine patches, office visits, etc)
- Offer incentives for employees participating at any Fitness Centers not just the city’s facilities
- Consider establishing a flex schedule to allow for “Wellness Program Breaks” (i.e. example seminars)
- Examine a “Tier Structure Plan” by head count
- Review policy for Retirees to allow opting out and back into City’s plan
- Work with UHC to establish an “age 50-64 fully funded plan”
  - **Partner with UHC – United Retiree Solutions to develop product offerings/pilot program\***
- Require mandatory health screening assessments to participate in the health plan
- Require all retirees over age 65 to enroll in Medicare Supplemental and Replacement Products.

**\*Items in bold indicates explanations for each bullet**



# The City Manager's Proposed Cost Avoidance Plan

- Increase retail prescription minimum co pays to reflect market standard – **Est. cost avoidance = \$1.2M**
  - Increase generic drug co-payment from \$ 5 to \$10
  - Increase preferred drug co-payment from \$10 to \$20
  - Name brand drug co-payment from \$20 to \$30
- Move from HMO fully-insured plan & funding arrangement move to a self-insured product (HMO Equivalent)– **Est. cost avoidance = \$2.5M**
  - Reduces risk charges and state mandates
  - Reduces administrative overhead charges

*Deloitte Consultants projected that moving from a fully insured plan to a self insured plan has minimal impact on the city cost. Overall implementing this business decision allows participating employees premiums to remain constant from FY 05-06 to FY06-07.*
- Offer integrated services for post 65 retirees through Medicare replacement plans – **Est. cost avoidance = \$2.0M**

# FY06-07 Proposed Cost Avoidance Options

FY06-07 Proposed Cost Avoidance Options	FY 06-07 Projected Cost
<b>FY06-07 Projected Health Costs</b>	<b>\$95.6 M</b>
<p><b>FY06-07 Proposed Cost Avoidance Options</b></p> <p>Pharmacy Program (See Appendix A)</p> <ul style="list-style-type: none"> <li>• Increase RX Co pays 5/10/20 to 10/20/30 to encourage greater use of generics</li> </ul> <p>HMO Funding Strategy (See Appendix A1)</p> <ul style="list-style-type: none"> <li>• Move from fully insured to self-insured arrangement</li> </ul> <p>Offer integrated services for post 65 retirees (See Appendix A2-A3)</p> <ul style="list-style-type: none"> <li>• Through Medicare replacement plans (Secure Horizon/ Pacific Care)</li> </ul> <p>Maximize the existing wellness program for all employees</p> <ul style="list-style-type: none"> <li>– Hire a permanent Wellness Coordinator</li> <li>– Wellness programming with an identified vendor</li> </ul> <p style="text-align: right;"><b>Total Cost Avoidance</b></p>	<p>\$(1.2 M)</p> <p>\$(2.5 M)</p> <p>\$(2.0 M)</p> <p>\$ 270K</p> <p><b>\$(5.43 M)</b></p>
<p><b>FY06-07 Health Costs Projections (As Adjusted)</b></p> <p>(Adjusted FY06-07 cost projections represents a 6.0% reduction in the projected health care trend or a \$1.47M increase in costs)</p>	<b>\$90.17 M</b>

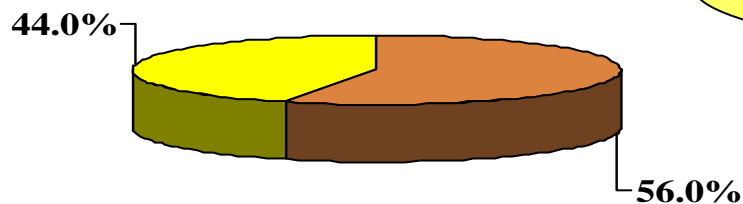
# The City of Dallas Prescription Drugs Analysis

## – Distribution of Scripts – Brand vs. Generics

Deloitte Consulting recommends restructuring generic & brand co pays to encourage greater generic substitution.

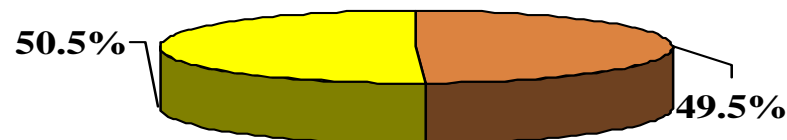
- Increase minimum co pays as follows:
  - Increase Generic brand drugs from \$5 to \$10
  - Increase Preferred brand drugs from \$10 to \$20
  - Increase name brand drugs from \$20 to \$30

### YTD 2006



*COD's generic utilization rate is below benchmark due to a lack of financial incentives of members to chose generics. Current plan only includes a \$5 difference between generic vs. brand-name drugs.*

### Benchmark 2005



■ **Generic**  
■ **Brand**

•COD's current generic substitution rate is below market at 44 percent.

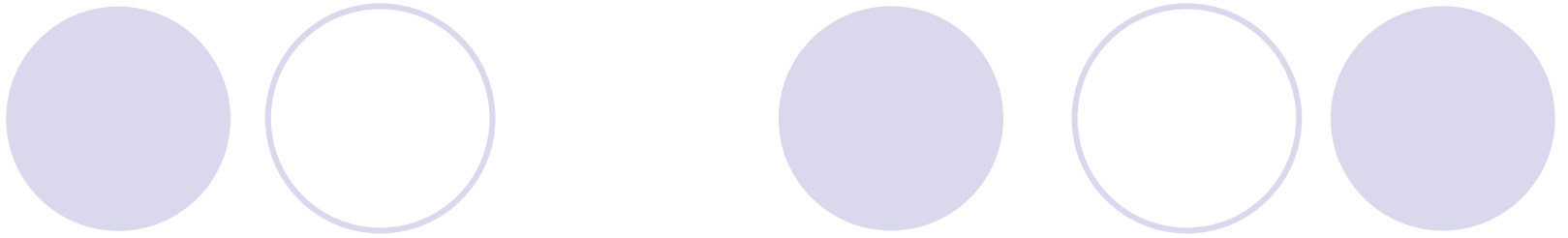
•Generics benefit employees by offering effective therapies at lower co-payments, and will benefit COD by reducing overall drug costs.

•Most in the industry suggest that a 50% - 55% generic dispensing rate is possible in 2007 due to the introduction of new generic products used to treat important diseases.

•Some PBM's already have generic substitution rates in excess of 50%.

Source: UHC & Humana utilization data.

Benchmark Source: ESI Drug Trend Report 2005



## **Offer an HMO equivalent at a reduced cost**

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- The Employee Health Committee recommended the creation of a HMO equivalent.
- Deloitte Consultants recommends that if the City moves from a fully insured HMO plan to a self insured HMO Equivalent plan risks are minimum.

# FY06-07 Proposed HMO Funding Strategy

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- The HMO plan covers close to 2,500 employees. Deloitte Consulting recommends that the plan should be self-funded to reduce risk charges, administrative fees, and state mandates. UHC can offer in-network only, HMO equivalent plan, with similar plan designs to the current Blue Cross plan. *Overall implementing this business decision allows participating employees premiums to remain the same as the FY05-06 rates.*

- **Current Status and Outlook of HMO Plan**

- The proposed recommendation would require the cancellation of Blue Cross Blue Shields contract. City is currently in the second year of a four year contract.
- Paid claims data obtained from BC/BS for the most recent 12 months indicates that current Loss Ratio (claims/premium) is 98 percent.
- Prior Loss Ratio at renewal last year was 100%. BC/BS premiums include state mandates, risk charges, and premium taxes.
- Current fully-insured plan will likely receive a rate increase of 18% to 30% over current. Without change this rate will increase the employees cost from 20% to 65%.
- Self-funding can help to eliminate most of these and improve the overall viability of an HMO plan.

- The result of moving from a fully insured plan to a self insured plan reduces administrative cost, state mandates fees and Pharmaceutical contract costs equating to a \$2.5M.

# UnitedHealthcare HMO Equivalent Model

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- **Plan Designs:** UnitedHealthcare will duplicate current HMO Plan Designs.
- **Networks:** Full access to the same local and national network as PPO members. Currently HMO participants are limited to a small network. The change will allow the employees to utilize the larger network current PPO participants use.
- **Referrals:** No referrals required. Not required to see Primary Care Physician before seeing a specialist. This non-referring system allows employees to visit their physician without delay to various specialist.
- **Pharmacy:** Full access to same local and national Pharmacy Network as PPO members. (Mail Order and Retail)
- **Nurseline:** 24/7 free access to UHC nurses. This benefit is currently not offered to HMO participants yet, it is a benefit to employees participating within the PPO. Encouraging employees to use the nurse line may increase the education of employees and thus reduce utilization and cost.
- **Health and Wellness:** Full access to UHC wellness websites, resources, tools and the City's robust wellness activities. It also allows the City to have one data base of information, which also allows better management.
- **Customer Service:** Telephonic support, full access to [myuhc.com](https://myuhc.com) and Tina Adams, UHC onsite service coordinator.
- **Care Coordination:** Disease Management, Inpatient Care, and Critical Indicators, monitored by dedicated staff of UnitedHealthcare nurses. Nurses are only assigned to City of Dallas members.



## Proposed changes reduces premiums for retirees over 65

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- The employee benefit sub-committee (retirees) have proposed to create cheaper options for retirees over 65.
- Currently retirees over 65 have the option to enroll in the AARP plan underwritten by United Health Care (a fully insured plan that includes a Medicare prescription option).
- At present, 1500 retirees are enrolled in the PPO plan without a Medicare prescription option.

# FY06-07 Proposed Integrated Services For Post 65 Retirees

- Encourage Post 65 retirees migration from City's PPO and offer the AARP Medicare Supplement and Secure Horizons HMO options:
  - Retirees will receive an equal if not better benefit
  - Retirees premiums could be potentially lower
  - Claims cost is transferred from the City's self-insured plan to a fully-insured
  - The retirees sub-committee strongly supports the creation of the new options for 65 and over

*(Assumption: The City will no longer subsidize retirees participating within the PPO option yet, the subsidy will be offered for the new Secure Horizon and the AARP plans)*
- Introduce the Secure Horizons Medicare Advantage HMO plan as a new offering to post 65 City of Dallas retirees effective 1/1/07 *(See attached Chart)*.
- Introduce an Enhanced Part D Pharmacy Plan for Post 65 retirees (Fully-Insured)
- Proposed Post 65 Design offerings
  - Secure Horizon individual HMO plan
  - AARP Plan F with Enhanced PDP
  - AARP Plan C with Enhanced PDP
  - AARP Plan K with Enhanced PDP
  - Secure Horizons HMO and Part D Rx (MAPD) – High Option (Plan 2A)
  - Secure Horizons HMO and Part D Rx (MAPD) – Low Option (Plan 3B)
- **Estimated cost avoidance is \$2.0M**



# New options for retirees over 65 offers up to 100% reduction!

Current options

Secure Horizon new options

Medical Coverage Option	2006 PPO 80/20 (1K) (med & rx)	MA HMO Plan 2A* (med & rx)	MA HMO Plan 3B* (med & rx)	MA HMO Individual catastrophic Plan (med & rx)	AARP Plan F (med & rx)	AARP Plan K (med & rx)
Retiree Only	\$201	\$89	\$57	\$0	\$148	\$118
Spouse Only	\$367	\$178	\$114	\$0	\$297	\$237
Retiree + Sp	\$568	\$267	\$171	\$0	\$445	\$355

- Proposed plan options includes premiums of Enhanced Medicare Part D RX Plan.
- Premiums for all proposed plan options are **lower than** City's PPO option.
- No **annual deductible** for proposed plan options, except for AARP Plan K (50% Part A Part B deductible).
- Potential savings for retirees ranges from 19% to 100% depending on plan and coverage option.

# National trends for wellness program

- The most rapid trend seen to reduce medical cost is the implementation of ***Corporate Wellness Programs***
- More and more employers are focusing on **WELLNESS** – instead of sickness
- Companies with corporate wellness programs are reporting an average of 28% less sick leave taken, 26% less direct health care costs and a 30% reduction in workers compensation and disability costs.
- 70 to 80% of **illness and disease** is preventable, and that preventable illness accounts for 90% of all health care expenditures
  - Health screenings and health assessments are a must

# City's wellness achievements as of May 31, 2006

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- UHC makes first year's Wellness Program investment by contracting with The Wellness Group to develop Worksite Wellness Plan
- HR hired Wellness Coordinator to manage program
- Established Wellness committee
  - Members include both employees and retirees
  - Wellness logo and motto chosen by employees
- Conducted wellness interest & needs survey
  - 2,068 employees and retirees participated  
(See [Appendix A4](#) for key survey findings)
- Sponsored educational seminars/clinics
  - Stress management, lifting techniques, diabetes and weight control
- Sponsored health screenings (Coordinated by Dr. Jill Waggoner & administered by Pfizer)
  - 1,500 employees and retirees participated
  - 32 city facilities were utilized
- Developed proposed fitness options Initiated health assessment campaign

# Wellness Next Steps this year

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- Continue to provide additional health screenings FY05-06
  - Screenings offered by Pfizer Pharmaceuticals at no cost
- Continue health assessment campaign using the UHC website
- Utilize data from wellness survey, health screenings and health assessments and clinical claims data to:
  - Identify and customize interventions and programs targeting at-risk populations and employees needs based on survey results
  - Refer at-risk employees identified via the health screenings to UHC Care Management Program
- Develop Worksite Health Improvement Strategic plan for 2007 & sequence years
- Develop a comprehensive communication plan to encourage employees participation.

# Wellness program strategies for FY06-07

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- Implement a request for proposal to identify an organization to assist the City monitor, manage and market the Comprehensive wellness program. Program design will include the following:
  - Study value of accreditation with the Wellness Council of America
  - Worksite Programs – Onsite, targeted early detection programs Personal Health Management Tools and Programs
  - Customized Improvement Programs – smoking cessation, health weight-loss and long-term management, and healthy heart
  - Health Risk Assessments and linkage to City wellness centers for early detection of potential problems
- Encourage employees to participate in the following activities:
  - Health screenings
  - Health Fairs
  - Nutrition classes
  - Proposed expansion of the wellness centers. Wellness centers are City facilities that offer equipment and exercise programs for participating employees. (see page 29)

# Proposed expansion of wellness center access for City employees

Bronze Membership Options	Gold Membership Options	Platinum Membership Options
<p><b>1 Parks &amp; Recreations Site</b>  <b>\$30.00 Annually</b></p>	<p><b>City Hall</b>            And  <b>OCMC</b>  <b>\$75.00 Annually</b></p>	<p><b>City Hall</b>            And  <b>OCMC</b>  <b>\$75.00 Annually</b>            Plus  <b>All 28 Parks &amp; Recreation Sites</b>  <b>\$75.00 Annually</b></p>
<p><b>\$30.00</b>  <b>Annually</b>  <b>Per Person</b></p>	<p><b>\$75.00</b>  <b>Annually</b>  <b>Per Person</b></p>	<p><b>\$150.00</b>  <b>Annually</b>  <b>Per Person</b></p>

- Bronze Membership – will allow access to **only 1** Park & Recreation facility
- Gold Membership – will allow access to **only the** City Hall & OCMC facilities
- Platinum Membership – will allow access **all** wellness center facilities

# The Hay Group Consultant Benchmarks Police Pay



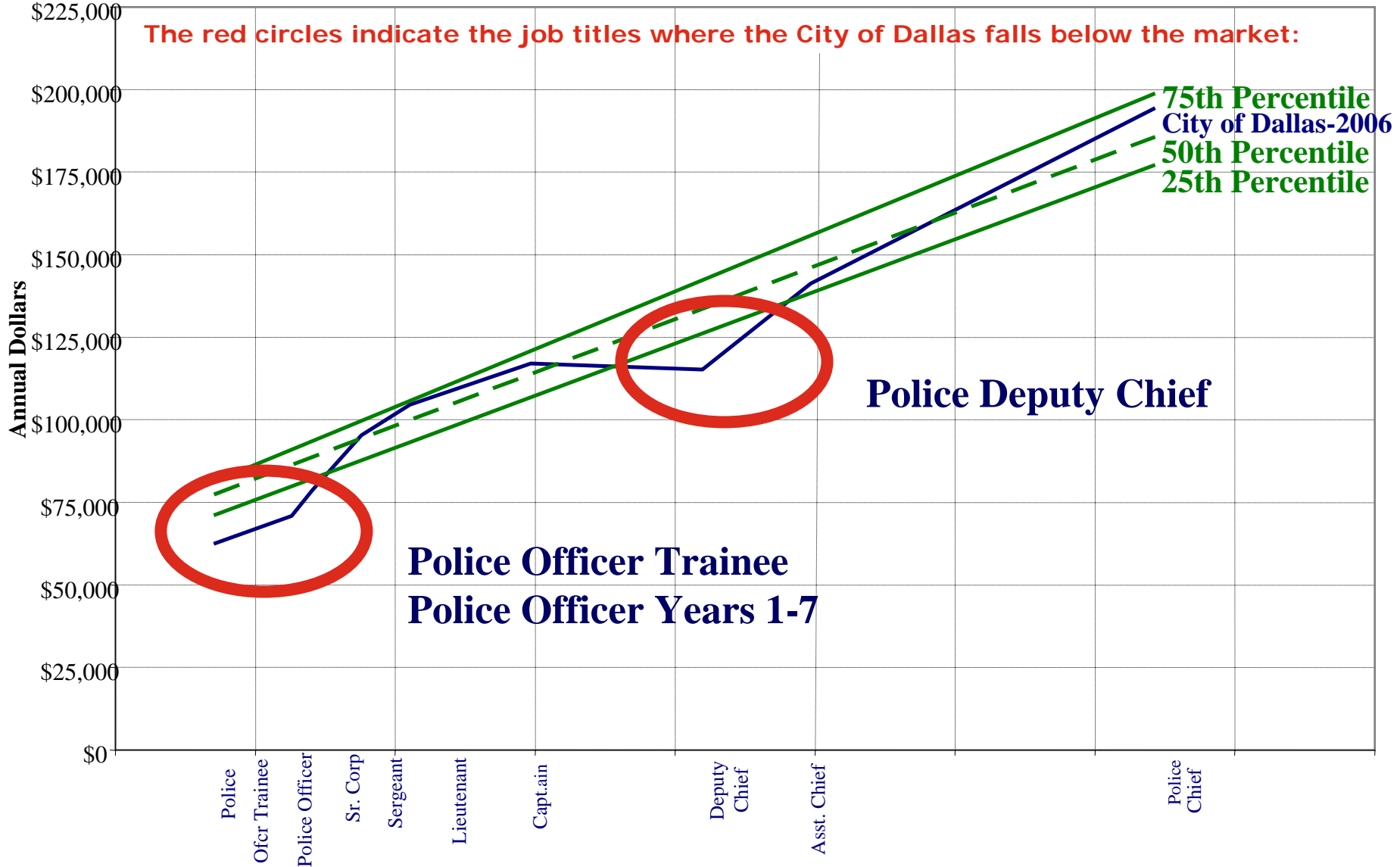
# Police Pay Compared to the Market

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- The chart on the next page illustrates the City's position in relation to the public sector market for police.
- The dotted green line reflects the median of the market: half of public sector employers pay above this level, and half pay below this level.
- The blue line reflects the City's average pay for the titles indicated along the bottom of the chart.
- The chart indicates the job titles where the City of Dallas falls below the market: Police Officer Trainee, Police Officer (1-7 yrs), and Deputy Chief:
  - **Police Officer Trainee and Police Officer (1-7) data confirm what we already knew**
  - **Deputy Chief salary ranges meet the market; however, the City has several recent appointees who are low in the salary range. It is common to see newly promoted officers pay below the market because they will have the opportunity to move up in the range through step increases.**



# City of Dallas - 2006 Police Current Total Compensation BASE SALARY + BENEFITS



# Addressing Police Pay Below Market

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- Goal: To improve Dallas' competitive position with the surrounding cities in attracting, recruiting and retaining police officers
- "Competitive" = within 5-10% of two top-paying cities
- Dallas pay competitive nationally and with other large Texas cities, but not with most suburbs

# Needs: Attraction & Retention

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- We want to be positioned to address the following issues:
  - Increasing department strength to continue lowering crime rate
  - Potential retirements (currently 43% of uniformed police employees are retirement-eligible)
  - Turnover
    - DPD turnover is low:
      - 2.98% voluntary turnover (excluding retirements) for calendar 2005
      - 4.78% total turnover for calendar 2005
    - Citywide total turnover 9.8% for calendar 2005
    - Goal is to keep turnover low: retain experienced officers
    - See Appendix B for DPD hiring and attrition rates

# How do we compare in pay to suburbs today?

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- Five “snapshots” selected for comparison
  - ❖ Recruit
  - ❖ 3-year Officer
  - ❖ 5-year Officer
  - ❖ 7-year Officer
  - ❖ Sr. Corporal, top step
- Comparison to 10 surrounding cities
  - ❖ Arlington, Carrollton, Ft. Worth, Garland, Grand Prairie, Irving, McKinney (recruit only), Mesquite, Plano, Richardson
- Base pay plus “special pay” included, for example:
  - ❖ State-mandated Longevity Pay
  - ❖ Field Training Pay
  - ❖ Detective Pay
  - ❖ Certification Pay
  - ❖ Education Pay

# Current Comparisons of Recruits and Three Year Officers (See Appendix D for details)

## Dallas Police Recruits

- ❖ Recruit pay already improved by Academy Graduation & Probation Completion incentives
- ❖ Dallas now ranks 4<sup>th</sup> for recruits
  - ❖ 5.4% behind Plano (top-paying city)
- ❖ Graduation incentive pay resulting in increased applicants

## Three-year Dallas officer ranks last among 9 cities

- ❖ Plano is top-paying city; ahead of Dallas by 39.2%
  - Plano officers reach top step at 3 years
- ❖ Richardson is in the middle of the market; ahead of Dallas by 18.7%
- ❖ Ft. Worth is 14% ahead of Dallas

## Current Comparisons of Five-Year & Seven Officer Today

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### Five-year Dallas officer ranks last among 9 cities

- Plano is top-paying city; ahead of Dallas by 31.2%
  - Plano officers have been at their top step for 2 years
- Garland is in the middle of the market; ahead of Dallas by 16.3%
- Ft. Worth is ahead of Dallas by 9.4%
- Dallas officers vest in pension at five years

### Seven-year Dallas officer ranks last among 9 cities

- Plano is top-paying city; ahead of Dallas by 21.1%
  - Plano officers have been at their top step for 4 years
  - Dallas officers are halfway to top step
- Mesquite is at the middle of the market; ahead of Dallas by 17%
- Ft. Worth is ahead of Dallas by 5.7%

## Current Comparisons of Sr. Corporal Today

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### Top Step Sr. Corporal is 2<sup>nd</sup> in area behind Ft. Worth

- Ft. Worth is only city (besides Dallas) with Sr. Corporal rank; we used all other cities' top step Police Officer to compare to Dallas Sr. Corporals
- Ft. Worth is top-paying city; ahead of Dallas by 6.3%
- Years to top step: 17

# Creating a plan to compete with other DFW municipalities

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- Propose a three year plan to: encourage recruitment, retention, additional training, education and good performance
- Make us more competitive with cities in the Dallas area to attract enough good candidates
- Retain our trained officers
- The 3-year plan shall serve as the bridge until we resolve referendum lawsuit. After the resolution of lawsuit, the City will review police pay plan for a comprehensive pay structure.



# October 1, 2006: Year One

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## Hire recruits at Police Officer, Step 1:

\$41,690/year

- Drop the Police Trainee, Apprentice, and Probationary officer levels
  - ✓ This is an Immediate increase to hiring salary from \$38,640 to \$41,690
- Academy Graduation Incentive (\$6,000) and Completion of Probation Incentive (\$4,000) now available to reward milestones
- Increases pay for 240 current Trainee, Apprentice & Probationary Officers
- New hires (approximately 180/year) would realize a \$3,050 increase in base pay
- See Appendix B for annual hiring and attrition numbers

# October 1, 2006: Year One (cont'd)

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- **Add Certification Pay**

- TCLEOSE (Texas Commission on Law Enforcement Standards and Education) offers 4 certification levels: Basic, Intermediate, Advanced, and Master
- Academy graduates receive Basic certification
- Certification requires experience, education, and training (See Appendix C)

<b>Certification Level</b>	<b>Estimated Number of Employees</b>	<b>Monthly Incentive Year One</b>
<b>Intermediate</b>	533	\$100
<b>Master</b>	1,528	\$400

## October 1, 2006: Year One (cont'd)

---

- Re-establish Tuition Reimbursement program for all city employees
- Increase Language Skills Pay for all eligible city employees
  - Increase monthly amounts to \$110 (intermediate) & \$150 (advanced/superior)
- Add \$5,000 Retention Incentive at 5 years of service
  - Addresses officers most vulnerable to turnover
  - Improves competitive position
  - Increases pay for approximately 100 Police Officers in FY 06-07

# October 1, 2007: Year Two

---

- **Compress the time interval between step increases to one year for all uniformed police employees**
- **Implement performance criteria for step increases**
  - Most uniformed employees wait two years between step increases
  - Shortening the interval to one year will move employees to higher salaries faster
  - Currently, police officers take 15 years to move to top step
  - After step compression, officers will be at the top step in 8 years
  - In order to receive increase: no preventable accidents and no formal disciplinary actions in previous twelve months
- **Add 5% step for all Police ranks**
- **Add \$3,000 Retention Incentive at 10 years of service**
- **Increase monthly certification by \$100, intermediate & \$100 masters.**

# October 1, 2008: Year Three

---

- **Add 5% step for all Police ranks**

# How will we compare to the suburbs after the Three Year Plan?

---

- Five “snapshots” revisited:
  - Recruit
  - 3-year Officer
  - 5-year Officer
  - 7-year Officer
  - Sr. Corporal, top step
- Projections made based on surrounding cities’ current pay rates
- Surrounding cities often make adjustments to their rates based on Dallas’ actions

# Comparison of Recruits and Three-year Officers After 3-year Plan (See Details in Appendix E)

---

## Dallas Police Recruits

- ❖ Dallas will be highest-paying city
- ❖ Improved position a result of:
  - ❖ Increased starting salary
  - ❖ Continuing \$6,000 graduation incentive payment

## Three-year Dallas officer still ranks last among 9 cities

- ❖ Position has improved by 5%
  - ❖ Plano ahead of Dallas by 35.7%
- ❖ Dallas officer eligible for 2 step increases in the next two years

# Comparison of Five-Year and Seven-Year Officers (after 3-year plan)

---

## Dallas Five-Year Officers

- ❖ Dallas' 5-Year Officers will be #5 in Metroplex
- ❖ Plano ahead of Dallas by 11.7%
- ❖ Improved position a result of:
  - ❖ Compressed step increases that move officers to a higher salary in a shorter period of time
  - ❖ \$5,000 retention incentive payment at 5 years

## Dallas Seven-Year Officer will be 8<sup>th</sup> compared to surrounding cities

- ❖ Plano ahead of Dallas by only 13.2%
  - ❖ Gap narrowed by 8%
- ❖ Improved position a result of:
  - ❖ Compressed step increases that move officers to a higher salary in a shorter period of time
  - ❖ Certification pay



# Comparison of Sr. Corporals (after 3-year plan)

---

## Dallas Sr. Corporals, Top Step

- ❖ Dallas' Sr. Corporals will lead the metroplex
- ❖ Dallas ahead of Ft. Worth (second highest-paying) by 10.2%
- ❖ Improved position a result of:
  - ❖ Compressed step increases that move officers to a higher salary in a shorter period of time
  - ❖ Certification pay
  - ❖ Additional step

# The Hay Group Consultant

## Benchmarks Fire Pay

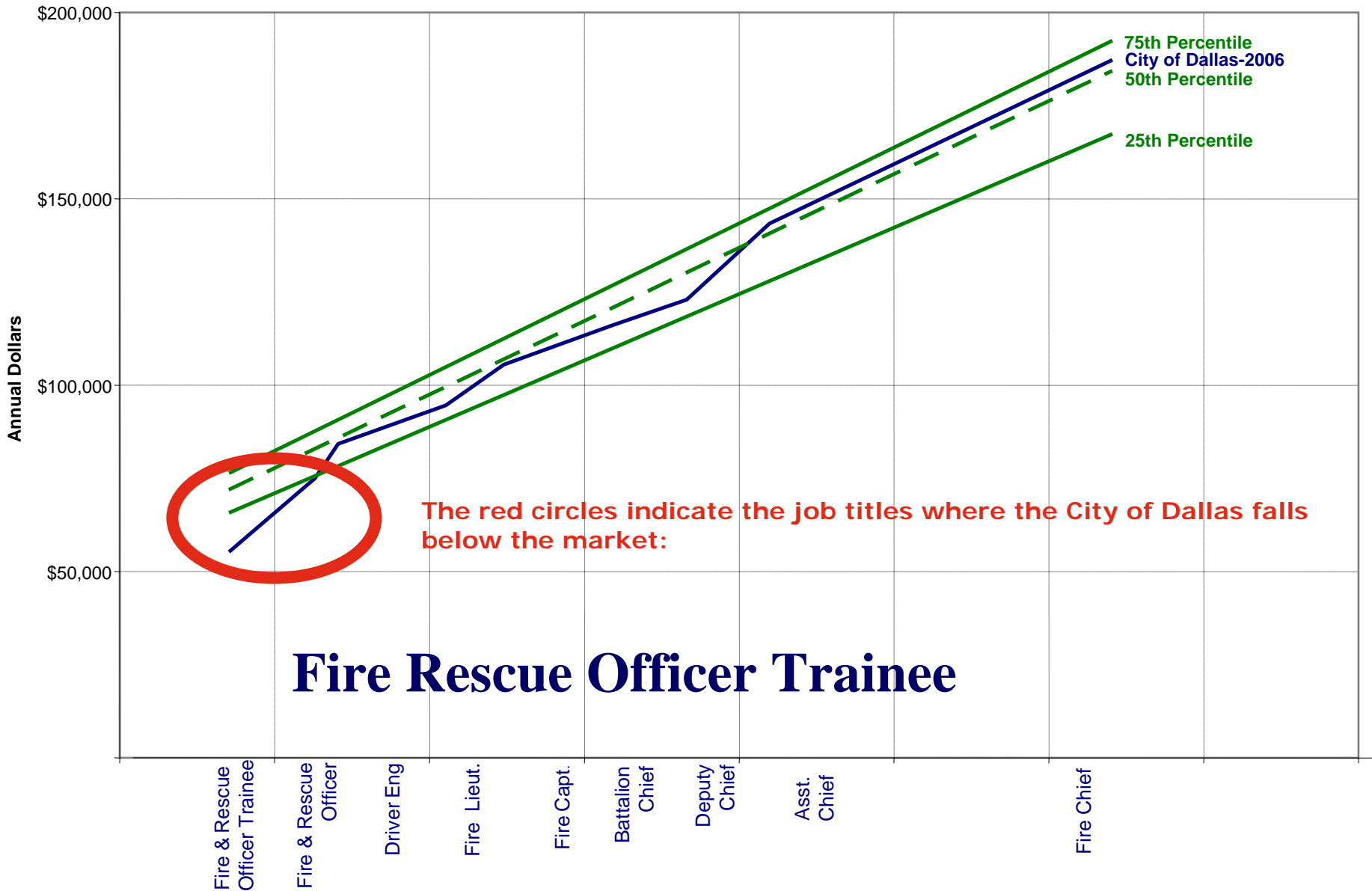


# Fire Pay Compared to the Market

---

- The chart on the next page illustrates the City's position in relation to the public sector market for fire.
- The dotted green line reflects the median of the market: half of public sector employers pay above this level, and half pay below this level.
- The blue line reflects the City's average pay for the titles indicated along the bottom of the chart.
- The red circle indicates the job titles where the City of Dallas falls below the market: Fire Rescue Officer Trainee
  - Fire Rescue Officer Trainee data confirm what we already knew

**City of Dallas - 2006**  
**Fire Current Total Remuneration Practice vs. Government Data**  
**BASE SALARY + BENEFITS**



# A Three-Year Plan for Fire

---

- Year One: October 1, 2006

- Implement Wellness Program for Fire uniformed employees
  - Thorough Physical exams
  - Incentive pay for officers who meet National Fire Fighters Association standards for physical fitness
    - Superior: \$350/yr.
    - Excellent: \$250/yr.
    - Good: \$150/yr.
- Hire recruits at Fire/Rescue Officer, Step 1: \$41,690/year
  - Drop the Fire Trainee, Apprentice, and Probationary officer levels
- Certification pay for standards set by Texas Commission on Fire Prevention
  - Intermediate: \$100/mo.
  - Master: \$200/mo.
- Improved Language Skills Pay for all employees citywide
- Tuition reimbursement for all employees citywide

- Year Two: October 1, 2007

- Compress steps for all ranks
- Add 5% step for all ranks

- Year Three: October 1, 2008

- Add 5% step for all ranks

# **The Hay Group Consultant**

## **Benchmarks City's Civilian Pay**

# Civilian Pay Compared to the Market

---

- The chart on the next page illustrates the City's position in relation to the public and private sector market for civilian positions.
- The dotted green line reflects the median of the market: half of employers pay above this level, and half pay below this level.
- The blue line reflects the City's average pay for the titles in four categories:
  - **Category 1: Entry to mid-level positions** —pay grades A-E
    - Minimum salaries \$16,982 - \$28,252
    - Typical positions: Laborer, Office Assistant, 911/311 Call Taker, Customer Service Representative, Code Enforcement Inspector, Water Meter Reader, Animal Control Officer, Painter, Computer Operator, Truck Driver.
    - **Over 60% of the civilian employees are in this category**
    - **Salary ranges for jobs in this category are at the median of the market**

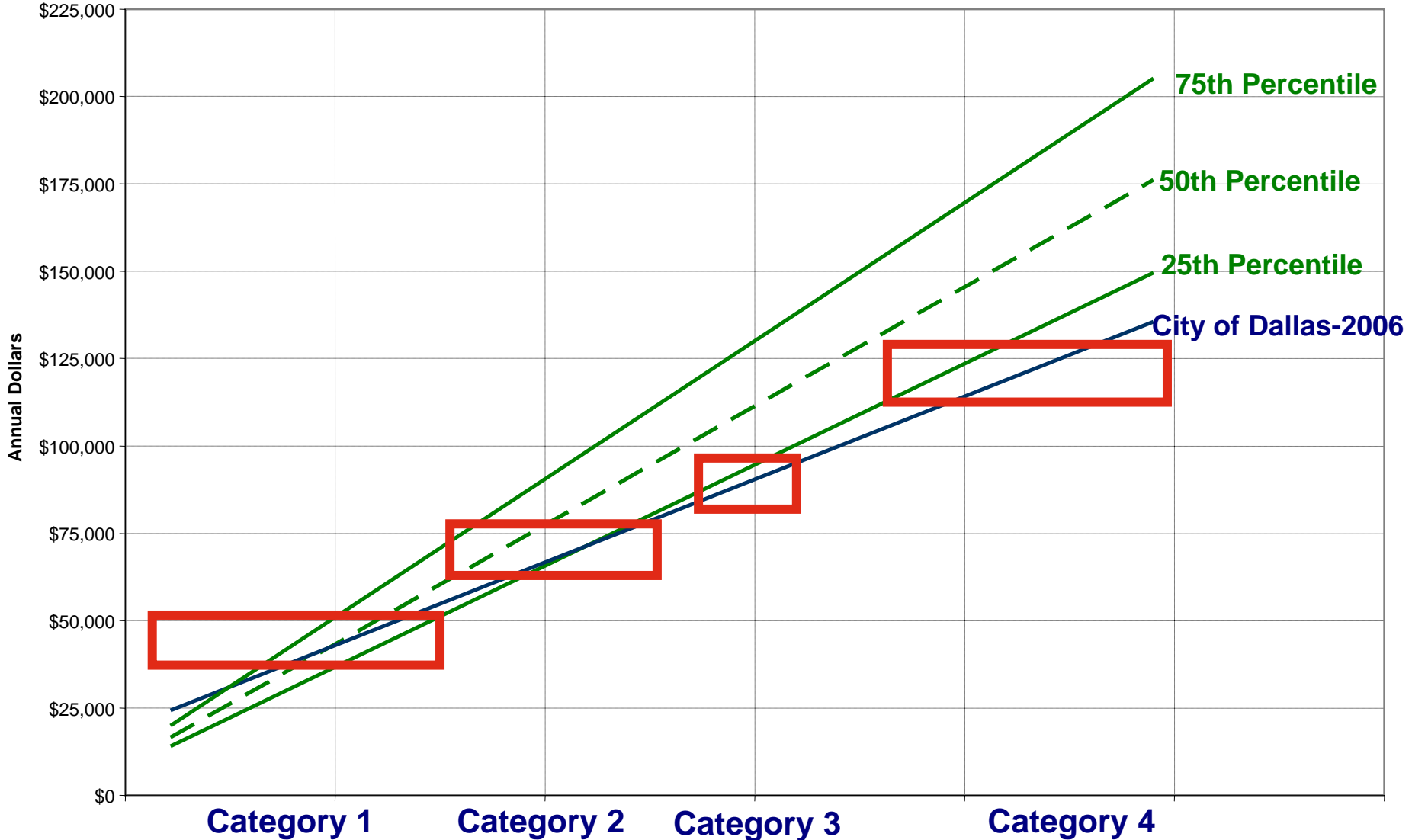
# Civilian Pay Compared to the Market, cont'd

---

- **Category 2: Professional/Supervisory** —pay grades F-K
  - Minimum salaries \$31,077 - \$50,050
  - Typical positions: Accountant, Supervisor I & II, Inspector II, Executive Assistant, Electronic Technician, Master Electrician, Engineer, Librarian, Sanitarian
  - Almost 30% of civilian employees are in this category
  - **Salary ranges for jobs in this category are at the minimum of the market**
  
- **Category 3: Sr. Professional/Manager** —pay grades L-P
  - Minimum salaries \$55,055 - \$80,606
  - Typical positions: Sr. Engineer, Sr. Architect, Manager III, IT Manager, Assistant Director
  - Approximately 5% of civilian employees are in this category
  - **Salary ranges for these jobs are slightly below the minimum of the market**
  
- **Category 4: Executive Management** —pay grades Q and above
  - Minimum salaries \$88,667 & above
  - Typical positions: Director, Chief Financial Officer, Chief Information Officer, Assistant City Manager
  - Approximately 1% of civilian employees are in this category
  - **Salary ranges for these jobs are below the minimum of the market**



**City of Dallas - 2006**  
**Civilian Current Base Salary Practice vs. General Industry Base Salary**  
**BASE SALARY**



# Civilian Market Adjustments: Three-Year Plan

---

- Over a three-year period, adjust salary ranges to target City's hard-to-fill jobs to ensure salary ranges meet the minimum market.
  - Example: engineers, architects & nurses
  - Prioritize based on needs
- Continue to reward good performance with merit increases
- Performance-based merit increases are working:
  - For employees eligible for a merit increase in last two years:
    - 99% received 1% or more
    - 86% received 2% or more
    - 18% received 3% or more
    - 1.5% received 4% or more
  - All employees who earned unsatisfactory for the last two rating periods or has potential the 1<sup>st</sup> period and unsatisfactory the 2<sup>nd</sup> period, are in the process of receiving a Performance Improvement Plan subject to disciplinary actions.
- Review total compensation picture again in three years

# Summary of Manager's Total Compensation Recommendations

---

## **For All Employees:**

- Tuition Reimbursement
- Language Skills Pay enhancement
- No healthcare premium increases
- Expanded Wellness Program
- Maintain current mix of leave, disability, life insurance, and pension benefits

# Summary of Manager's Total Compensation Recommendations, cont'd

---

- **For Uniformed employees:**

- Higher entry pay
- Certification pay
- Three-year plan to improve competitiveness in the Texas market (see appendix for summary).

**Police Focus**

**Retention Pay**

**Fire Focus**

**Comprehensive  
Wellness Program**

- **For civilian employees:**

- Continue performance based merits (3%)
- Bring hard-to-fill jobs to market median

# Appendix

*Executive Summary – 2007 Fully-Insured HMO Savings Opportunities*

	<u>Employees</u>	<u>Premiums</u>	<u>Per Employee Per Year</u>
<b>Projected 2006</b>	2476	\$14,807,551	\$5,980
<b>Projected 2007 - Current + 15%</b>	2476	\$17,028,684	\$6,877
Retention: 11% *			(\$757)
State Mandates: 5% *			(\$306)
RX Contract Improvements			(\$220)
Incremental Discount Improvements: 3%			(\$151)
Care Management Improvements: 0.5%			(\$25)
Self-funded ASO Costs			\$240
Individual Stop Loss @ \$250,000			\$180
Self-funded Projected 2007			\$5,839
Projected Savings			\$1,038.60
Savings Percentage			15.1%
Contract Savings			\$2,571,574
* Provided by BC/BS underwriting			

*In 2007 the estimated cost-avoidance attributed to self-funding the HMO would be approximately \$2.6M. 2007 costs are expected to increase by \$2.2M. By self-funding City can avoid cost increase and maintain current contributions. This includes utilizing individual stop-loss to protect against large losses. Assumes actuarial equivalent plan design.*

# Comparison of Medical Retiree Costs

- Current \$1000 Ded. 80/20 PPO Plan to AARP Plans

AARP Scenario	Typical Medical Cost	Medicare Pays:	Current PPO Post 65 Retiree Pays:	Proposed 2007 AARP Plan F Post 65 Retiree Pays:	Proposed 2007 AARP Plan K Post 65 Retiree Pays:
<b>Monthly Premium</b>					
<b>Retiree only</b>			\$201	\$72	\$42
<b>Spouse Only</b>			\$367	\$144	\$84
<b>Retiree + Spouse</b>			\$568	\$216	\$126
<b>Inpatient Hospital stay</b>	\$10,000+	All but \$952	\$952	\$0	\$476
<b>Outpatient Surgery</b>	\$2,000	\$1,600	\$400	\$0	\$200
<b>PCP Doctor's Office Visit</b>	\$100	\$80 (after ded.)	\$20	\$0	\$10
<b>Standard X-Ray &amp; Laboratory Tests</b>	\$150	\$120	\$30	\$0	\$15
<b>Emergency Room</b>	\$400	\$320	\$80	\$0	\$40

# Comparison of Prescription Drug Retiree Costs Appendix A3

- Current Rx PPO Plan to Enhanced Part D and SH Plans

Prescription Drug Scenario	Typical Pharmacy Cost	Current 2006 PPO RX Plan  Retiree Pays:	Proposed 2007 Enhanced Part D Rx Plan  Retiree Pays:	Proposed 2007 SH 2A Rx Plan  Retiree Pays:	Proposed 2007 SH 3B Rx Plan  Retiree Pays:	Proposed 2007 Individual SH Rx Plan  Retiree Pays:
<b>Monthly Premium</b>						
<b>Retiree Only</b>		\$125	\$76	Included in Medical Premium	Included in Medical Premium	Included in Medical Premium
<b>Spouse Only</b>		\$250	\$153			
<b>Retiree + Spouse</b>		\$375	\$229			
<b>Deductible (combined retail and mail order)</b>		\$75	\$0	\$0	\$0	\$0
<b>Generic RX - Retail Tier 1</b>	\$35	\$5	\$10	\$10	\$15	\$8.50
<b>Brand RXs – Retail Tier 2</b>	\$75	\$15	\$25	\$20	\$25	\$26.15
<b>Non-Preferred - Retail Tier 3</b>	\$100	\$30	\$50	\$40	\$40	50%
<b>Generic - Mail Order Tier 1</b>	\$105	\$11	\$20	\$20	\$30	\$17
<b>Brand - Mail Order Tier 2</b>	\$225	\$45	\$50	\$40	\$50	\$52.30
<b>Non-Preferred-Mail Order Tier 3</b>	\$300	\$90	\$100	\$80	\$80	50%
<b>Retiree pay 100% in Coverage Gap?</b>		No	No	No	No	Yes



# Wellness Survey- Key Findings

---

## TOTAL

Number of Respondents

**2068**

## • BY GENDER

Men – 1635

Women – 781

Skipped - 55

## • BY POSITION

**1266 – Field Operations**

**491-- Professional**

**387 – Managerial/Supervisors**

**321-- Administrative**

**6 --Retirees**

## • By AGE

**868 -- 46-55**

**779 -- 36-45**

**433 -- 26-35**

**252 -- 56-65**

**48 – 18– 25**

**16 – 66+**

**\*75 - Skipped**

# Wellness Survey Snap Shot of Key Findings

- Preferred ways of getting info at work:

- Pamphlets/ Written Materials – 1029
- Talks by experts – 803
- Websites – 775
- Classes – 763
- Email - 667

- Top Areas of Health Concern:

- Obesity – 1095
- High Cholesterol – 1070
- Eating Healthy – 1021
- Not Enough Sleep – 917
- High Blood Pressure – 895
- Stress Management – 884
- Cancer – 604
- Tobacco – 257
- Substance Abuse - 166

## Hiring and Attrition Since 1990

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<b>FY</b>	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05
<b>Hired</b>	287	167	57	113	211	170	138	137	138	142	171	228	123	136	180
<b>Attrition</b>	169	142	141	145	145	182	124	114	132	140	145	147	141	168	140
<b>Net</b>	118	25	-84	-33	66	-12	14	23	6	2	26	81	-18	-32	40

Sworn Strength at the end of 90/91 was 2,873.

Sworn Strength at the end of 04/05 was 2,972.

# Police Certification Standards



## TEXAS COMMISSION ON LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION

6320 U.S. Highway 290 East, Suite 200  
Austin, Texas 78728  
Phone: (512) 938-7700  
<http://www.tcleose.state.tx.us>



### CERTIFICATION REQUIREMENTS CHART

Rule §221.3, Peace Officer Proficiency; §221.5, Jailer Proficiency

Hours & Education	Basic Peace Officer	Intermediate P. O.	Advanced P. O.	Master P. O.
400	1 year	8 years		
800	1 year	6 years	12 years	
1200	1 year	4 years	9 years	20 years
2400	1 year	2 years	6 years	15 years
3300	1 year			12 years
4000	1 year			10 years
Associate's Degree	1 year	4 years	6 years	12 years
Bachelor's Degree	1 year	2 years	5 years	9 years
Master's Degree				7 years
Doctoral Degree				5 years

Basic Peace Officer certificates issued on or after January 1, 1987, all of the following courses must be completed to qualify for the Intermediate Peace Officer certificate:

- 2105 Intermediate Child Abuse Prevention and Investigation
- 2106 Intermediate Crime Scene Investigation
- 2107 Intermediate Use of Force
- 2108 Intermediate Arrest, Search and Seizure
- 2109 Spanish for Law Enforcement
- 3255 Asset Forfeiture
- 3256 Racial Profiling
- 3277 Identity Theft
- Only 1 of the 3 following classes must be completed
  - 3840 CIT Train the Trainer
  - 3841 Crisis Intervention Training
  - 4001 Mental Health Peace Officer

- Advanced certificates will not be issued until CIT has been fulfilled.

CIT training for Chiefs only included in courses 3740 and 3780 as of 1/1/2006.

- Basic Jailer certificates issued on or after March 1, 1993, all of the following courses must be completed to qualify for the Intermediate Jailer certificate:
  - 3501 Intermediate Suicide Detection and Prevention in Jails
  - 3502 Intermediate Inmate Rights and Privileges
  - 3503 Intermediate Interpersonal Communications in a Jail Setting
  - 3504 Intermediate Use of Force in a Jail Setting
  - 2109 Spanish for Law Enforcement

Emergency Telecommunications Proficiency requirements see rule §221.13.

## Current Recruit Comparison at the end of year 1

City	Annual Salary with Dallas Incentive	% City is +Higher or -Lower than Dallas
Plano	\$47,100	+5.40%
Mesquite* (Police Officer, Start)	\$46,488	+4.03%
Carrollton* (Police Officer, Start)	\$45,914	+2.74%
<b>Dallas (includes \$6,000 graduation incentive)</b>	<b>\$44,688</b>	<b>---</b>
Irving	\$44,400	-0.65%
Garland	\$42,852	-4.28%
Arlington* (Police Officer, Start)	\$42,648	-4.78%
Grand Prairie* (Police Officer, Start)	\$42,602	-4.90%
Richardson	\$42,180	-5.95%
McKinney	\$42,132	-6.07%
Ft Worth	\$34,044	-31.27%

\*These cities have NO Police Officer Recruit position; they hire new recruits at Police Officer, Start.

## Current 3-Year Officer Comparison

City	Annual Salary w/ Special Pay*	% City is +Higher or -Lower than Dallas
Plano	\$64,478	+39.21%
Arlington	\$58,735	+26.81%
Carrollton	\$58,393	+26.07%
Mesquite	\$56,050	+21.01%
Richardson	\$54,972	+18.69%
Garland	\$53,947	+16.47%
Grand Prairie	\$53,858	+16.28%
Fort Worth	\$52,838	+14.08%
Irving	\$51,997	+12.26%
<b>Dallas</b>	<b>\$46,317</b>	----

\* Special Pay includes items such as: Longevity, Education, & Certification Pay.

## Current 5-Year Officer Comparison

City	Annual Salary w/ Special Pay*	% City is +Higher or -Lower than Dallas
Plano	\$64,574	+31.22%
Mesquite	\$60,924	+23.81%
Arlington	\$58,534	+18.95%
Carrollton	\$58,400	+18.68%
Garland	\$57,252	+16.34%
Grand Prairie	\$56,700	+15.22%
Irving	\$55,908	+13.61%
Richardson	\$55,608	+13.00%
Fort Worth	\$53,819	+9.37%
<b>Dallas</b>	<b>\$49,209</b>	---

\* Special Pay includes items such as: Longevity, Education, & Certification Pay.

## Current 7-Year Officer Comparison

---

City	Annual Salary w/ Special Pay*	% City is +Higher or -Lower than Dallas
Plano	\$64,670	+21.12%
Richardson	\$64,068	+19.99%
Grand Prairie	\$62,927	+17.86%
Carrollton	\$62,654	+17.34%
Mesquite	\$62,494	+17.05%
Arlington	\$62,032	+16.18%
Irving	\$60,255	+12.85%
Garland	\$60,217	+12.78%
Fort Worth	\$56,445	+5.72%
<b>Dallas</b>	<b>\$53,057</b>	---

\* Special Pay includes items such as: Longevity, Education, & Certification Pay.



Current Sr. Corporal, Top Step  
(Years to Top Step for Dallas Sr. Corporal is 17 years)

---

City	Annual Salary w/ Special Pay*	% City is +Higher or -Lower than Dallas
Fort Worth	\$75,980	+6.30%
<b>Dallas</b>	<b>\$71,479</b>	-----
Irving	\$68,252	-4.73%
Carrollton	\$68,054	-5.03%
Arlington	\$67,129	-6.48%
Plano	\$66,014	-8.28%
Garland	\$65,941	-8.40%
Mesquite	\$65,614	-8.94%
Richardson	\$65,124	-9.76%
Grand Prairie	\$62,170	-14.97%

\* Special Pay includes items such as: Longevity, Education, Field Training, Certification, & Detective Pay.

Note: Dallas & Fort Worth have Corporal/Sr. Corporal ranks; Remaining cities reflect the Top Step of Police Officer.

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# City's Police pay position after 3-Year Plan

# A three-Year Total Compensation Plan Summary for Police

---

## Year One

**Hire recruits at Police Officer, Step 1:** (currently hired at \$38,640) **\$41,690/year**

- Drop the Police Trainee, Apprentice, and Probationary officer levels
- **Add Certification Pay**
  - Intermediate \$100.00 monthly
  - Master \$400.00 monthly
- **Add \$5,000 Retention Incentive at 5 years of service**
  - Addresses officers most vulnerable to turnover
  - Improves competitive position
  - Increases pay for approximately 100 Police Officers in FY 06-07

## Year Two

- **Compress the time interval between step increases to one year for all uniformed police employees**
- **Implement performance criteria for step increases**
- **Add 5% step for all Police ranks**
- **Add \$3,000 Retention Incentive at 10 years of service**
- **Increase certification pay by \$100, intermediate & \$100 masters**

## Year three

- **Add 5% step for all Police ranks**

## Recruit Comparison (after 3-year plan)

---

City	Annual Salary with Dallas Incentive	% City is + Higher or -Lower than Dallas
<b>Dallas</b>	<b>\$47,690</b>	---
Plano	\$47,100	-1.25%
Mesquite* (Police Officer, Start)	\$46,488	-2.58%
Carrollton* (Police Officer, Start)	\$45,914	-3.86%
Irving	\$44,400	-7.40%
Garland	\$42,852	-11.29%
Arlington* (Police Officer, Start)	\$42,648	-11.82%
Grand Prairie* (Police Officer, Start)	\$42,602	-11.94%
Richardson	\$42,180	-13.06%
McKinney	\$42,132	-13.19%
Ft Worth	\$34,044	-40.08%

## 3-Year Officer Comparison After 3-Year Plan

City	Annual Salary w/ Special Pay*	% City is +Higher or -Lower than Dallas
Plano	\$64,478	+35.69%
Arlington	\$58,435	+22.98%
Carrollton	\$58,393	+22.89%
Mesquite	\$56,050	+17.96%
Richardson	\$54,972	+15.69%
Garland	\$53,947	+13.53%
Grand Prairie	\$53,858	+13.34%
Fort Worth	\$52,838	+11.20%
Irving	\$51,877	+9.18%
<b>Dallas</b>	<b>\$47,577</b>	---

\* Special Pay includes items such as: Longevity, Education, & Certification Pay.

## Dallas' 5-Year Officers will be #5 in Metroplex

City	Annual Salary w/ Special Pay*	% City is +Higher or -Lower than Dallas
Plano	\$64,574	+11.69%
Mesquite	\$60,924	+5.37%
Arlington	\$58,534	+1.24%
Carrollton	\$58,400	+1.01%
<b>Dallas</b>	<b>\$57,817</b>	----
Garland	\$57,252	-0.99%
Grand Prairie	\$56,700	-1.97%
Irving	\$55,908	-3.41%
Richardson	\$55,608	-3.97%
Fort Worth	\$53,819	-7.43%

\* Special Pay includes items such as: Longevity, Education, & Certification Pay.

## 7-Year Officer Comparison After 3-Year Plan

City	Annual Salary w/ Special Pay	% City is + Higher or -Lower than Dallas
Plano	\$64,670	+13.23%
Richardson	\$64,068	+12.17%
Grand Prairie	\$62,927	+10.18%
Carrollton	\$62,654	+9.70%
Mesquite	\$62,494	+9.42%
Arlington	\$62,032	+8.61%
Irving	\$60,255	+5.50%
Garland	\$60,217	+5.43%
<b>Dallas</b>	<b>\$57,115</b>	---
Fort Worth	\$56,445	-1.19%

\* Special Pay includes items such as: Longevity, Education, Patrol, & Certification Pay.

## By 2008, Dallas' Sr. Corporal, Top Step will lead the Metroplex

City	Annual Salary with Special Pay	% City is +Higher or -Lower Than Dallas
Dallas	\$84,052	---
Fort Worth	\$75,980	-10.62%
Irving	\$68,252	-23.15%
Carrollton	\$68,054	-23.51%
Arlington	\$67,129	-25.21%
Plano	\$66,014	-27.32%
Garland	\$65,941	-27.47%
Mesquite	\$65,614	-28.10%
Richardson	\$65,124	-29.06%
Grand Prairie	\$62,170	-35.20%

\*Special Pay includes items such as: Longevity, Education, & Certification Pay.



## Before & After Three-Year Plan: Dallas Police Officer New Hire through Year 5

Year	New Hire	1	2	3	4	5
Current	\$44,640	\$43,079	\$43,850	\$46,317	\$46,845	\$49,209
Proposed (After 3 Yr Plan)	\$47,690	\$45,738	\$43,850	\$47,517	\$50,361	\$57,817
Percent Increase	6.83%	6.17%	0%	2.59%	7.51%	17.49%

### Assumptions

Implementation of Three-Year Plan to include:

Increased Start Pay

Certification Pay

Retention Pay

## A three-Year Total Compensation Plan Summary for **Fire**

---

- Year One: October 1, 2006

- Implement Wellness Program for Fire uniformed employees
  - Thorough Physical exams
  - Incentive pay for officers who meet National Fire Fighters Association standards for physical fitness
    - Superior: \$350/yr.
    - Excellent: \$250/yr.
    - Good: \$150/yr.
- Hire recruits at Fire/Rescue Officer, Step 1: (currently hired at \$38,640) \$41,690/year
  - Drop the Fire Trainee, Apprentice, and Probationary officer levels
- Certification pay for standards set by Texas Commission on Fire Prevention
  - Intermediate: \$100/mo.
  - Master: \$200/mo.
- Improved Language Skills Pay for all employees citywide
- Tuition reimbursement for all employees citywide

- Year Two: October 1, 2007

- Compress steps for all ranks
- Add 5% step for all ranks

- Year Three: October 1, 2008

- Add 5% step for all ranks