Memorandum



Date August 23, 2013

CITY OF DALLAS

Honorable Mayor and Members of the City Council

Subject City of Dallas Compensation Overview

On Tuesday, August 27, 2013, the City Council will be briefed on the City of Dallas Compensation Overview. The briefing materials are attached for your review.

Please let me know if you have any questions or need additional information.

A. C. Gonzalez

Interim City Manager

1640 S. E

Attachment

c: Thomas P. Perkins, City Attorney

Judge Daniel F. Solis, Administrative Judge

Rosa A. Rios, City Secretary Craig D. Kinton, City Auditor

Ryan S. Evans, Interim First Assistant City Manager

Jill A. Jordan, P. E., Assistant City Manager Forest E. Turner, Assistant City Manager

Joey Zapata, Assistant City Manager

Charles M. Cato, Interim Assistant City Manager Theresa O'Donnell, Interim Assistant City Manager

Jeanne Chipperfield, Chief Financial Officer

Frank Librio, Public Information Officer

Elsa Cantu, Assistant to the City Manager - Mayor and Council

City of Dallas

Compensation Overview

City Council August 27, 2013



Presentation Overview

- Recent Total Compensation Studies
- Uniformed Pay Concepts
- Dallas Police and Fire Pay compared to other Cities
- Additional Information on Police and Fire Pay
- Meet & Confer Agreement
- 2008 Recession Impacts Dallas and Nationwide
- Sanitation Workers
- Merits versus Across-the-Board increases
- Appendix
 - City of Dallas Special Pay Schedules
 - City of Dallas and Other Texas Cities Special Pay
 - August 1, 2012 Total Compensation Briefing
 - Major changes to the Police and Fire Pension plan for officers hired after March 1, 2011

RECENT TOTAL COMPENSATION STUDIES

Total Compensation

- Total compensation, pay and benefits, is comprised of two basic elements:
 - Pay elements
 - □ Salary, overtime
 - "Special Pay" Items
 - Shift differentials, Certification Pay, Education, Language Skills, Longevity Pay, Assignment Pay
 - Benefit elements
 - □ Comprehensive Healthcare Program
 - Insurance Offerings
 - Workers' Compensation
 - Deferred Compensation
 - Paid Leave
 - Pension

Importance of Total Compensation

- To attract and retain qualified employees, pay and employer-sponsored benefits must be:
 - Perceived by prospective and current employees as valuable.
 - Commensurate with the value of the work performed.
 - Focused on "Total Compensation" rather than individual elements.
 - Compliant with various laws and mandates.
- The City competes for employees in the labor market.
- □ Total compensation must be able to be measured/compared.
 - If the City cannot compete in the labor market, not only is hiring impacted but the City's operations are also negatively impacted.

Recent Compensation Studies

- World-at-Work, a non-profit organization that represents and certifies compensation professionals, recommends doing a total compensation study every three to five years
- □ 2006 Study
 - Contracted with the Hay Group to evaluate and compare the City of Dallas pay to the labor market.
- □ 2011/12 Study
 - Contracted with Milliman to evaluate and compare City of Dallas total compensation to the market.

Milliman's Credentials

- Among the world's largest independent actuarial and human resources consulting firms
 - More than 2,600 employees
 - Revenues of US\$754 million in 2012
 - Serves the full spectrum of business, governmental, and financial organizations
- Founded in 1947, has offices in principal cities worldwide, covering markets in North America, Latin America, Europe, Asia and the Pacific, and the Middle East.

Milliman's Compensation Consulting Practice:

- ☐ Has been in existence since 1983
- ☐ Works with a broad section of both public and private sector organizations
- Primary focus is to conduct comprehensive surveys of compensation and benefits and to design total compensation programs that help its clients recruit, retain, motivate and reward employees.
- Salary and benefits surveys are noted for their accuracy and breadth, with one of the largest and most trusted compensation and benefits databases in the country
- □ Each year collects data on more than 500 job titles from 1,000+ organizations reports.

2011/12 Compensation Study

- In 2011 City engaged Milliman to complete a study of the City's Total Compensation
 - Salary Comparisons
 - Identified 190 positions for salary comparison. Selected positions that were:
 - Easily comparable positions exist in other organizations (public and private) – truck driver, secretary, police officer, etc.
 - Occupied by large numbers of City of Dallas employees, and/or
 - Positions that the City is having a hard time recruiting and/or retaining employees
 - Benefits Comparisons
 - Milliman also compared the City's benefits (health benefits, pension, and paid leave) to the market.
 - The agreement with Milliman provides for updated and additional market data for FY12/13 and FY13/14.

2011/12 Compensation Study

- Milliman compared City of Dallas to:
 - Peer cities and other public sector organizations referred to as "Custom Survey" in their report
 - Twenty-seven public sector organizations participated (see appendix page 110 for list).
 - □ Included jobs that only exist in public sector police officer, fire-fighter, for example.
 - □ Also included positions found in both public and private sector.
 - Private sector
 - Used published survey data (more than 20 survey sources).

2011/12 Compensation Study

- ☐ City staff and Milliman briefed the City Council on the results of the 2011/12 total compensation study on August 1, 2012.
 - Briefing includes findings from the 2006 study as well as findings from the 2011/12 study.
 - Briefing is included in the appendix, pages 62 thru 136.

2011/12 Compensation Study – Summary of Findings

■ Milliman Total Compensation study found:

Civilian employees

- Median of civilian employees' pay ranges were 9% below market (see appendix page 114).
- ☐ Civilian employees' base pay was 7% below market (see appendix page 115).
- ☐ Civilian employees' total pay (base pay plus bonuses) was below the market median (see appendix page 117).
- Civilian employees' total compensation was, on average, 14% below the market median (see appendix page 128).

<u>Uniformed employees</u>

- ☐ Base salaries for uniformed jobs are aligned with the market median (average at median) (see appendix page 116).
- ☐ Total compensation for uniformed jobs is on average 11% above the median of the survey group (see appendix page 130).

Actions resulting from 2011/12 Total Compensation Study

- Human Resources established an Executive Team to address civilian compensation issues.
 - Comprised of Directors from the largest civilian departments.
- In conjunction with the findings from the Total Compensation Study, this group began prioritizing which positions were most in need of salary adjustments.
 - Budgetary limitations prohibited addressing all positions at once so positions were prioritized based on operational necessity.
 - Positions with the highest priorities were those with significantly low pay compared to market, positions with high turn-over and/or were hard to fill at existing salary offerings.
 - Additional consideration was given to positions with the greatest operational impact.

FY2012/13 Pay Adjustments

- FY2012/13 pay adjustments focused primarily on skilled trades, field operations, environmental, and IT positions.
- FY2013/14 pay adjustments focus primarily on supervisors, truck drivers, and some professional jobs.
- □ FY2014/15 positions will be reviewed with the Executive Team this coming year for possible pay adjustments.

Important Note regarding the Police and Fire Pension Valuation in Milliman Total Compensation Study

- Valuation of the Police and Fire Pension
 - Officers hired on or after March 1, 2011 have a different Pension calculation than those hired prior to that time.
 - Milliman's pension valuation was based on the pre-March 1, 2011 version of the plan because, at the time of the Study, there were only a few officers who had been hired since March 1, 2011.
 - An additional study would need to be done to calculate the value of the revised plan.
 - A summary of major changes to the Police and Fire Pension plan can be found on page 156 of the appendix
 - □ The Police and Fire Pension Fund staff would need to provide details on any specifics related to the Police and Fire Pension Fund

UNIFORMED PAY CONCEPTS

STEPS

What are "Steps"?

- Police and Fire Uniformed officers are on a "Step" pay system.
- Officers' pay progresses along distinct pay Steps.
- Each Rank (Police Officer, Sr. Corporal, Fire Fighter, etc.) has Steps.
 - The number of Steps ranges from 11 to 15, depending on the Rank (see next page).

What are "Steps"?

			Step Distrib	utions as of Ja	nuary, 2013 (D	oes not include	executive ran	ıks)		
			Fire Grades		Police Grades					
Step	Fire Rescue Officer	Fire Driver - Engineer	Fire Lieutenant	Fire Captain	Fire Battalion Chief	Police Officer	Police Sr. Corporal	Police Sergeant	Police Lieutenant	Police Captain*
1	521					844				
2						138	59	1		
3		11				91	147	21		
4	30	22	21	2		39	73	39	1	
5		33	24	5		36	138	27		1
6	13	40	22	9		48	131	29	1	1
7	50	45	11	9	1	30	92	40	6	
8	28	20	7	8	4	19	85	37	4	
9	51	24	15	10		19	70	47	6	
10	44	27	14	9	7	32	62	71	16	
11	28	41	73	76	19	190	145	164	42	2
12	22	159					406			
13	35									
14	28									
15	223									
	1073	422	187	128	31	1486	1408	476	76	14

⁼Top Step for the Grade

^{*} Police Captain is an "Obsolete Rank" which means that no new officers can be placed in that Rank. There are currently 2 Police Captains. Once those officers leave the force, the Rank will go away completely. The newly created Police Major Rank uses the Captain's schedule.

^{**} There are other obsolete ranks in both the Police and Fire Departments that still have incumbents but, as those officers leave the force, the rank will eventually go away.

How do Officers get "Steps"?

Officers receive Step increases in two ways:

'Within-Rank Step increases'

- □ Awarded as part of the budgetary process.
- □ Within-Rank Step increases are either 'yes' or 'no' and the award of the Step does not vary based on performance. As long as officers meet the minimum standards for the position, they may receive a Within-Rank Step increase.
- ☐ Generally, Steps are about a 5% increase from the previous Step.
- Once officers "Top Out" (i.e. hit the top Step of their Rank), they are not eligible for any more Within-Rank Step increases.

'Promotional Step increases'

- ☐ Awarded when officers promote to a new rank (Police Officer to Sr. Corporal, for example).
- Officers' pay is increased to the Step in the new rank that gives them at least a 4.5% pay increase.

Other Important Step Concepts

"Topped-Out"

Once officers reach the top Step in their Rank, they are no longer eligible for additional Within-Rank Step increases. This is referred to as "topped-out".

Eli	gible for Ste	р	%Topped Out		
Fire	No	550	29.9%		
riie	Yes	1291	29.970		Not eligible for a Within
Police	No	804	23.2%	-	Rank Step increase
Police	Yes	2656	25.2%		<u>-</u>
Grand	Total	5301]	

■ The City occasionally adds Steps to the Pay Schedule to allow officers in Ranks to earn more money. Two Steps were added to the Pay Schedules recently – one in FY07-08 and one in FY08-09.

"Compression/Decompression"

- Currently, all Steps are one-year minimum Steps this is the <u>minimum</u> number of years an Officer must be in the Step before being eligible for the next Within-Rank Step.
- There have been other times when some Steps were one-year Steps while others were two-year Steps.
- When all Steps became minimum one-year Steps (in FY07-08), it was referred to as "Compressing the Steps."
- If some Steps changed to two-year Steps again, this would be referred to as "Decompressing the Steps."

How much do Within-Rank Step increases cost?

- □ Each Step is approximately 5% more than the prior Step.
- When City staff presents the cost of Steps, they provide two numbers:
 - 1. The first year cost of the Steps
 - The full year cost of the Step

Officers receive their Within-Rank Step increases throughout the year - either their hire date or their last promotion date. Because of this, the 1st year cost of a Step increase is about half the full year cost.

First year cost of Steps = \$7.6M*

Full year cost of Steps = \$15.2M*

The first year cost of Within-Rank Step increases is half the full-year cost.

Incremental Budgetary Impact of ONE Step Increase								
	Fisca	al Year						
	FY13-14	FY14-15	Total Cost of					
	Budget +/(-)	Budget +/(-)	Step					
Proposal								
YEAR ONE								
1st Year Cost - FY13-14 Steps	\$7,594,023							
YE	EAR TWO							
2nd Year Cost - FY13-14 Steps		\$ 7,594,023						
Incremental Budgetary Impact	¢7.504.022	6 7 504 022	\$45 400 04C					
FY13-14 Step Increase	\$7,594,023	\$ 7,594,023	\$15,188,046					
Cost assumes all Steps are one-year Steps								

What does the Police "Pay Schedule" look like?

Important!

Rank —	CLASS CODE	RANK	GRADE- STEP	MONTH	ANNUAL	CLASS CODE	RANK	GRADE- STEP	MONTH	ANNUAL
	46101	Police Officer Trainee I	P2 - 1	\$3,578	\$42,941	46011	Police Sergeant, Start	P4 - 1	\$4,226	\$50,713
	46102	Police Officer Trainee II	P2 - 1	\$3,578	\$42,941	46011	Police Sergeant, 1 Year	P4 - 2	\$4,535	\$54,421
0 1 (0)	46103	Police Officer Trainee III	P2 - 1	\$3,578	\$42,941	46011	Police Sergeant, 1 Year	P4 - 3	\$4,762	\$57,140
Grade/Step ———				<u> </u>		46011	Police Sergeant, 1 Year	P4 - 4	\$5,000	\$59,995
·		Police Officer		\$3,578	\$42,941	46011	Police Sergeant, 1 Year	P4 - 5	\$5,250	\$62,999
	46004 46004	Police Officer, 1 Year Police Officer, 1 Year	P2 - 2 P2 - 3	\$3,756 \$3,943	\$45,067 \$47,314	46011 46011	Police Sergeant, 1 Year Police Sergeant, 1 Year	P4 - 6 P4 - 7	\$5,512 \$5,789	\$66,138 \$69,466
	46004	Police Officer, 1 Year	P2 - 3	\$4,142	\$47,314	46011	Police Sergeant, 1 Year	P4 - 7	\$6,078	\$72,938
	46004	Police Officer, 1 Year		\$4,348	\$52,176	46011	Police Sergeant, 1 Year	P4 - 9	\$6,381	\$76,576
D. C. Carrilla I. C. I	46004	Police Officer, 1 Year	P2 - 6	\$4,565	\$54,780	46011	Police Sergeant, 1 Year	P4 - 10	\$6,700	\$80,405
Pay (monthly and	46004	Police Officer, 1 Year	P2 - 7	\$4,795	\$57,538	46011	Police Sergeant	P4 - 11	\$7,035	\$84,425
3 ·	46004	Police Officer, 1 Year	P2 - 8	\$5,033	\$60,396					
annual) associated	46004	Police Officer, 1 Year			\$63,420	46013	Police Lieutenant, Start	P5 - 1	\$4,637	\$55,649
with the Crade/Ston	46004	Police Officer, 1 Year		\$5,550	\$66,596	46013	Police Lieutenant, 1 Year	P5 - 2	\$4,968	\$59,617
with the Grade/Step	46004	Police Officer	P2 - 11	\$5,827	\$69,921	46013 46013	Police Lieutenant, 1 Year Police Lieutenant, 1 Year	P5 - 3 P5 - 4	\$5,216 \$5,478	\$62,593
Generally, each Step	46005	Police Corporal, 1Year	P2 - 4	\$4,142	\$49,700	46013	Police Lieutenant, 1 Year	P5 - 4	\$5,752	\$65,734 \$69,018
Generally, each Step	46005	Police Corporal, 1Year		\$4,348	\$52,176	46013	Police Lieutenant, 1 Year	P5 - 6	\$6,039	\$72,467
is 5% more than the	46005	Police Corporal, 1Year	P2 - 6	\$4,565	\$54,780	46013	Police Lieutenant, 1 Year	P5 - 7	\$6,340	\$76,080
is 570 more than the	46005	Police Corporal, 1Year	P2 - 7	\$4,795	\$57,538	46013	Police Lieutenant, 1 Year	P5 - 8	\$6,657	\$79,883
prior Step.	46005	Police Corporal, 1Year	P2 - 8	\$5,033	\$60,396	46013	Police Lieutenant, 1 Year	P5 - 9	\$6,990	\$83,875
риог этер.	46005	Police Corporal, 1Year	P2 - 9	\$5,285	\$63,420	46013	Police Lieutenant, 1 Year	P5 - 10	\$7,339	\$88,068
	46005	Police Corporal, 1 Year		\$5,550	\$66,596	46013	Police Lieutenant	P5 - 11	\$7,706	\$92,471
	46005	Police Corporal	P2 - 11	\$5,827	\$69,921	46014	Police Captain, Start	P6 - 1	\$5,088	\$61,058
Minimum number of	46016	Police Senior Corporal, Start	P3 - 1	\$3.679	\$44,150	46014	Police Captain, 3 Year	P6 - 2	\$5,451	\$65,409
IVIII IIII IIIII IIIIIII IIIIIIII IIII		Police Senior Corporal 1 Year	P3 - 2	\$3.876	\$46,511	46014	Police Captain, 1 Year	P6 - 3	\$5.722	\$68,663
years an officer has—		Police Senior Corporal 1 Year	P3 - 3	\$4,142	\$49,700	46014	Police Captain, 1 Year	P6 - 4	\$6,009	\$72,112
3	46016	Police Senior Corporal 1 Year	P3 - 4	\$4,348	\$52,176	46014	Police Captain, 1 Year	P6 - 5	\$6,311	\$75,730
to be in the Step	46016	Police Senior Corporal 1 Year		\$4,565	\$54,780	46014	Police Captain, 1 Year	P6 - 6	\$6,625	\$79,505
•	46016	Police Senior Corporal 1 Year	P3 - 6	\$4,795	\$57,538	46014	Police Captain, 1 Year	P6 - 7	\$6,956	\$83,473
before they are	46016	Police Senior Corporal 1 Year		\$5,033	\$60,396	46014	Police Captain, 1 Year	P6 - 8	\$7,305	\$87,657
3	46016 46016	Police Senior Corporal 1 Year Police Senior Corporal 1 Year	P3 - 8	\$5,285 \$5,549	\$63,420 \$66,585	46014 46014	Police Captain, 1 Year Police Captain, 1 Year	P6 - 9 P6 - 10	\$7,671 \$8,054	\$92,047 \$96,649
eligible for the next	46016	Police Senior Corporal 1 Year	P3 - 9	\$5,549 \$5,827	\$69,921	46014	Police Captain, 1 Year	P6 - 10	\$8,456	\$101,481
O .	46016	Police Senior Corporal 1 Year	P3 - 11	\$6,118	\$73,418	70017	1 onoc captain	1 0 - 11	ψυ, 400	Ψ101,401
Step	46016	Police Senior Corporal	P3 - 12	\$6,424	\$77,089					
•		•								

a double-step in order to make up for step increases not previously given for budgetary reasons in any fiscal year.

Although pay steps for uniformed staff generally occur in one-year increments, if officers are not given a step pay increase in any fiscal year for budgetary

reasons, when step pay increases are resumed in a subsequent fiscal year, it is expected that officers' pay will only increase one step. Officers should not expect

What does the Fire "Pay Schedule" look like?

CLASS CODE	<u>RANK</u>	GRADE- STEP	MONTH	ANNUAL	CLASS CODE	RANK	GRADE- STEP	MONTH	ANNUAL
44101	Fire & Rescue Officer Trainee I	F2 - 1	\$3,578	\$42,941	44006	Fire Lieutenant, Start	F4 - 1	\$4,226	\$50,713
44102	Fire & Rescue Officer Trainee II	F2 - 1	\$3,578	\$42,941	44006	Fire Lieutenant, 1 Yr.	F4 - 2	\$4,535	\$54,421
44103	Fire & Rescue Officer Trainee III	F2 - 1	\$3,578	\$42,941	44006	Fire Lieutenant, 1 Yr.	F4 - 3	\$4,762	\$57,140
					44006	Fire Lieutenant, 1 Yr.	F4 - 4	\$5,000	\$59,995
44002	Fire & Rescue Officer, Start (Prob. Compl.)	F2 - 1	\$3,578	\$42,941	44006	Fire Lieutenant, 1 Yr.	F4 - 5	\$5,250	\$62,999
44002	Fire & Rescue Officer, 1 Yr.	F2 - 4	\$3,756	\$45,067	44006	Fire Lieutenant, 1 Yr.	F4 - 6	\$5,512	\$66,138
44002	Fire & Rescue Officer, 1 Yr.	F2 - 7	\$3,943	\$47,314	44006	Fire Lieutenant, 1 Yr.	F4 - 7	\$5,789	\$69,466
44002	Fire & Rescue Officer, 1 Yr.	F2 - 8	\$4,142	\$49,700	44006	Fire Lieutenant, 1 Yr.	F4 - 8	\$6,078	\$72,938
44002	Fire & Rescue Officer, 1 Yr.	F2 - 9	\$4,348	\$52,176	44006	Fire Lieutenant, 1 Yr.	F4 - 9	\$6,381	\$76,576
44002	Fire & Rescue Officer, 1 Yr.	F2 - 10	\$4,565	\$54,780	44006	Fire Lieutenant, 1 Yr.	F4 - 10	\$6,700	\$80,404
44002	Fire & Rescue Officer, 1 Yr.	F2 - 11	\$4,795	\$57.538	44006	Fire Lieutenant	F4 - 11	\$7,035	\$84,424
44002	Fire & Rescue Officer, 1 Yr.	F2 - 12	\$5,033	\$60,396				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,
44002	Fire & Rescue Officer, 1 Yr.	F2 - 13	\$5,285	\$63,420	44007	Fire Captain, Start	F5 - 1	\$4,637	\$55,649
44002	Fire & Rescue Officer, 1 Yr.	F2 - 14	\$5,550	\$66,596	44007	Fire Captain, 1 Yr.	F5 - 2	\$4,968	\$59,617
44002	Fire & Rescue Officer	F2 - 15	\$5,827	\$69,921	44007	Fire Captain, 1 Yr.	F5 - 3	\$5,216	\$62,593
			40,000	\$ 00,02.	44007	Fire Captain, 1 Yr.	F5 - 4	\$5,478	\$65,734
44026	Fire Second Driver, Start	F2 - 2	\$3.610	\$43.322	44007	Fire Captain, 1 Yr.	F5 - 5	\$5,752	\$69,018
44026	Fire Second Driver, 1 Yr.	F2 - 5	\$3,773	\$45,279	44007	Fire Captain, 1 Yr.	F5 - 6	\$6,039	\$72,467
44026	Fire Second Driver, 1 Yr.	F2 - 7	\$3,943	\$47,314	44007	Fire Captain, 1 Yr.	F5 - 7	\$6,340	\$76,080
44026	Fire Second Driver, 1 Yr.	F2 - 8	\$4,142	\$49,700	44007	Fire Captain, 1 Yr.	F5 - 8	\$6,657	\$79,883
44026	Fire Second Driver, 1 Yr.	F2 - 9	\$4,348	\$52,176	44007	Fire Captain, 1 Yr.	F5 - 9	\$6,990	\$83,875
44026	Fire Second Driver, 1 Yr.	F2 - 10	\$4,565	\$54,780	44007	Fire Captain, 1 Yr.	F5 - 10	\$7,339	\$88.068
44026	Fire Second Driver, 1 Yr.	F2 - 11	\$4,795	\$57.538	44007	Fire Captain	F5 - 11	\$7,706	\$92,471
44026	Fire Second Driver, 1 Yr.	F2 - 12	\$5,033	\$60,396	1.00.	r no ouplant		ψ.,.σσ	Ψ02,
44026	Fire Second Driver, 1 Yr.	F2 - 13	\$5,285	\$63,420	44008	Fire Battalion / Section Chief, Start	F6 - 1	\$5.088	\$61,058
44026	Fire Second Driver, 1 Yr.	F2 - 14	\$5,550	\$66,596	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 2	\$5,451	\$65,409
44026	Fire Second Driver	F2 - 15	\$5,827	\$69,921	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 3	\$5,722	\$68,663
11020	The Geodina Briver	12 10	ψ0,027	φ00,021	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 4	\$6,009	\$72,112
44004	Fire Driver - Engineer, Start	F3 - 1	\$3,679	\$44,150	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 5	\$6,311	\$75,730
44004	Fire Driver - Engineer, 1 Yr.	F3 - 2	\$3,876	\$46,511	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 6	\$6,625	\$79,505
44004	Fire Driver - Engineer, 1 Yr.	F3 - 3	\$4,142	\$49,700	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 7	\$6,956	\$83,473
44004	Fire Driver - Engineer, 1 Yr.	F3 - 4	\$4,348	\$52,176	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 8	\$7,305	\$87,657
44004	Fire Driver - Engineer, 1 Yr.	F3 - 5	\$4.565	\$54,780	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 9	\$7,671	\$92.047
44004	Fire Driver - Engineer, 1 Yr.	F3 - 6	\$4,795	\$57.538	44008	Fire Battalion / Section Chief, 1 Yr.	F6 - 10	\$8.054	\$96,649
44004	Fire Driver - Engineer, 1 Yr.	F3 - 7	\$5.033	\$60.396	44008	Fire Battalion / Section Chief, 111.	F6 - 11	\$8,456	\$101,481
44004	Fire Driver - Engineer, 1 Yr.	F3 - 8	\$5,035	\$63,420	000	The Battanorry Couldn't Office	10-11	ψο, 400	ψ101,401
44004	Fire Driver - Engineer, 1 Yr.	F3 - 9	\$5,549	\$66,585	_				
44004	Fire Driver - Engineer, 1 Yr.	F3 - 9	\$5,549	\$69,921	+				
44004	Fire Driver - Engineer, 1 11.	F3 - 11	\$6,118	\$73,418	_				
	<i>y</i> ,								
44004	Fire Driver - Engineer	F3 - 12	\$6,424	\$77,089					

Although pay steps for uniformed staff generally occur in one-year. increments, if officers are not given a step pay increase in any fiscal year for budgetary reasons, when step pay increase are resumed in a subsequent fiscal year, it is expected that officers' pay will only increase one step. Officers should not expect a double-step in order to make up for step increases not previously given for budgetary reasons in any fiscal year.



SPECIAL PAY

What is "Special Pay"?

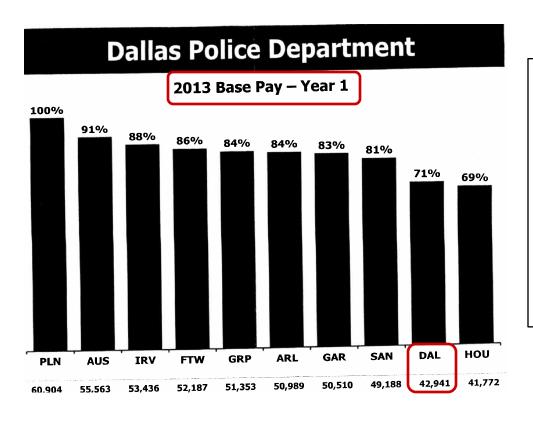
- In addition to 'Step' Pay (often called 'base pay'), officers are also eligible for a variety of "Special Pay" items
- ☐ Special Pay items include:
 - Up to \$3,600 per year Education Incentive Pay
 - Up to \$6,000 per year Certification Pay
 - Up to \$1,200 per year Service Pay (also called Longevity Pay)
 - \$1,200 per year Detective Assignment Pay
 - \$1,200 per year Field Training Officer Pay
 - Up to \$1,800 per year Patrol Duty Pay
 - 3.5% or 6.5% of pay Police Shift Assignment Pay
 - Up to \$4,200 per year Aircraft Rescue (ARFF) Pay
 - Up to \$4,800 per year EMS Assignment Pay
 - \$2,100 per year Arson Investigator Pay
 - Up to \$4,200 per year HAZMAT Pay
 - Up to \$4,200 per year Urban Search and Rescue Pay
- □ Special Pay items are a large component of officers' pay
 - Police special pay averages \$8,573 per year
 - Fire special pay averages \$7,433 per year
 - See next page for Special Pay by rank

Base and Special Pay averages by Rank

	Average Pay for Uniformed Officers as of August, 2013									
	Rank	Number of	Average	Average	Average					
		Officers	Base Pay	Special Pay	Total Pay					
	F2 - Fire Rescue Officer	1110	\$ 51,097	\$ 6,234	\$ 57,332					
	F3 - Fire Driver Engineer	417	\$ 67,171	\$ 8,913	\$ 76,085					
	F4 - Lieutenant	185	\$ 74,377	\$ 8,785	\$ 83,162					
a	F5 - Captain	114	\$ 86,796	\$ 10,017	\$ 96,812					
Fire	F6 - Battalion/Section Chief	37	\$ 94,794	\$ 10,511	\$105,305					
"	F7 - Deputy Chief	11	\$ 98,784	\$ 10,776	\$109,561					
	F8 - Assistant Chief	5	\$108,412	\$ 11,537	\$119,949					
	F9 - Chief	1	\$165,289	\$ 5,544	\$170,833					
	Average for all Fire Ranks	1880	\$ 60,470	\$ 7,433	\$ 67,904					
	P2 - Trainee/Officer	1532	\$ 48,631	\$ 6,659	\$ 55,290					
	P3 - Senior Corporal	1368	\$ 64,222	\$ 9,654	\$ 73,876					
4	P4 - Sergeant	462	\$ 75,096	\$ 11,073	\$ 86,169					
Police	P5 - Lieutenant	74	\$ 88,181	\$ 11,482	\$ 99,663					
	P6 - Captain/Major	13	\$ 94,609	\$ 10,919	\$105,528					
	P7 - Deputy Chief	14	\$ 92,933	\$ 11,092	\$104,024					
_	P8 - Assistant Chief	7	\$111,507	\$ 10,776	\$122,283					
	P9 - Police Chief	1	\$182,231	\$ 10,800	\$193,031					
	Average for all Police Ranks	3471	\$ 59,657	\$ 8,573	\$ 68,231					

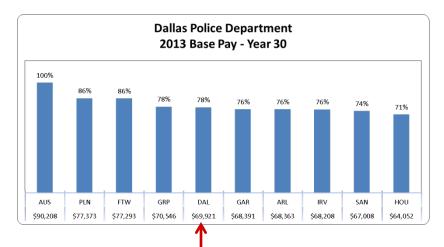
DALLAS' POLICE AND FIRE PAY COMPARED TO OTHER CITIES

Police Officers – Starting Salary

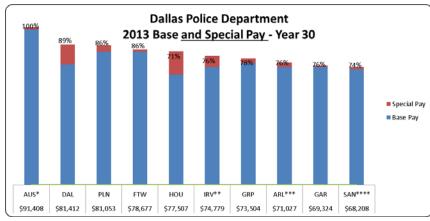


- Dallas' starting pay for Police Officers is lower than most other cities.
- Special pay averages \$5,176 for bottom Step Police Officers.
- Special Pay helps close the starting pay gap; however, even with Special Pay Dallas is low in the market.

Police Officers at Top Step



Dallas' pay at the top Step for Police officers is more competitive. Without any special pay items, Dallas is about average.

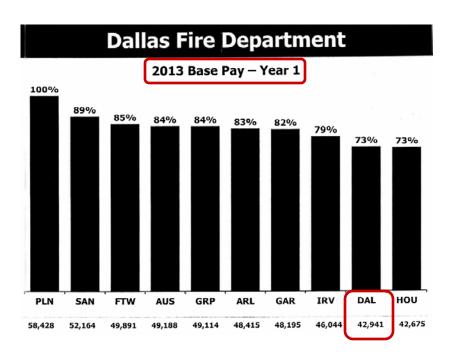


- When Special Pay items are added, Dallas' position improves.
- Special pay averages \$11,491 for topped out Police Officers.

Important notes about data:

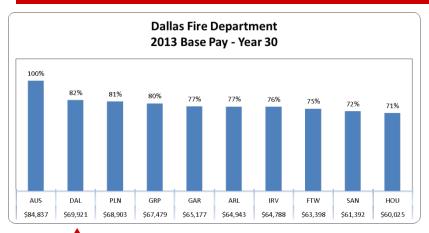
- Austin could not provide special pay data. They pay \$1,200 per year max in State Mandated Longevity Pay. This was added to their base pay. The real special pay amount is likely higher.
- Irving could not provide special pay data. The internet showed that the average pay for Irving police officers is \$74,779. This number was used for this chart.
- Arlington could not provide special pay data. They pay a maximum of \$234 a month in Longevity Pay. This was added to their top base pay to arrive at this number.
- San Antonio claimed that there are no topped out police officers at the City. They pay \$1,200 per year in State Mandated Longevity Pay. This was added to the top base amount.

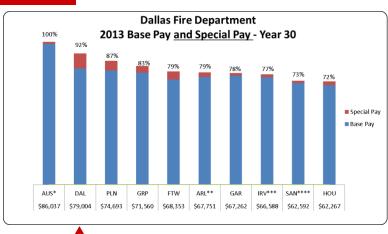
Fire Fighters – Starting Salary



- Similar to Police, Dallas' starting pay for Fire Fighters is on the lower end compared to other cities.
- Special pay averages \$4,345 for bottom Step Fire Fighters.
- Special Pay helps close the starting pay gap; however, even with Special Pay Dallas is low in the market.

Fire Fighters at Top Step





- Dallac
- Dallas' pay at the top Step for Fire Fighters very competitive.
 Without any Special pay items,
 Dallas is second in Texas and top in the region.

- When Special Pay items are added, Dallas' increases its position among other Texas cities.
- Special pay averages \$9,083 for topped out Fire Fighters.

Important notes about data:

- Austin could not provide special pay data. They pay \$1,200 per year max in State Mandated Longevity Pay. This was added to their base pay. The real special pay amount is likely higher.
- Irving could not provide special pay data. Irving pays \$1,800 per year max in Longevity Pay.. This number was used for this chart.
- Arlington could not provide special pay data. They pay a maximum of \$2,808 a month in Longevity Pay. This was added to their top base pay to arrive at this number.
- San Antonio claimed that there are no topped out fire fighters at the City. They pay \$1,200 per year in State Mandated Longevity Pay. This was added to the top base amount.

ADDITIONAL INFORMATION ON POLICE/FIRE PAY

Applications for Police and Fire

Year	Applications Received	Applicants Tested	Hires
2013 (to date)	3552	684	153
2012	4028	873	194
2011	1899	627	20
2010	4406	984	229
2009	7756	1585	375
2008	4981	1015	325

Police Applications/Testing and Hires

Year	Applications Received	Applicants Tested	Hired
2013	1742	833	31 (to date)
2012	1624	745	121
2011	1715	815	151
2010	(no exam given)	0	47
2009	2004	995	107
2008	1004	493	99

Fire Applications/Testing and Hires

Are Police Officers getting trained then leaving for the suburbs?

- Comparing two five-year periods (FY03/04 thru FY07/08 & FY08/09 thru FY12-13) shows a slight increase in the number of officers who have left for another city or to work for a federal agency.
- □ This is data as reported by officers when the leave.

	Total Recruits	Total who left for another city	Total who left for a Federal Agency	Total who left	% who left
5 - Year Period from FY03-04 to FY07-08	1257	47	31	78	6.21%
5 - Year Period from FY08-09 to FY12-13	1053	54	27	81	7.69%

Turnover - Citywide

	Fire Uniform	Police Uniform	Civilian	Citywide
July 2011*	3.08%	4.17%	12.74%	9.13%
July 2012*	4.24%	4.78%	12.88%	9.46%
July 2013*	4.90%	5.72 %	16.70%	11.99%

^{* 12-}month turn-over rates

MEET & CONFER AGREEMENT

Meet and Confer - History

- 2009 State Legislature Texas State Legislature approved Meet and Confer for Dallas Police and Fire.
- □ Feb 5, 2010 Uniform Coalition Team (Police and Firefighter Associations) submitted petition to City Manager to Meet and Confer.
- □ February 24, 2010 Council accepted petition and authorized management team to begin discussions with the Uniform Coalition Team.
- <u>September 1, 2010</u> Council approved first Meet & Confer agreement.
 - 3-Year Agreement October 1, 2010 through September 30, 2013.
 - Agreement has automatic six month extension through March 31, 2014.

2010 Meet & Confer Contract Provisions

Year 1	Year 2	Year 3	
 40 Hours Mandatory City Leave (aka "Furlough Days") (Equates to a 1.9231% pay reduction)* Comp Time for Overtime Establish Phase Down Plan Delay Fire Rookie Classes from Paramedic School Reduce Number of Fire Rescue Replacements Delay Truck 10 Implementation to Jan. 2011 Hiring for ½ Attrition in DPD Modify Loss of Merit Step Procedure in DPD Off Duty Jobs for Special Events Time Off For Association Business Reconfigure Fire Dispatch Schedule Study Single Career Path in Fire Suspend Fire Wellness Program 	• 24 Hours Mandatory City Leave (aka "Furlough Days") (Equates to a 1.1538% pay reduction) • Reinstate Merit Step Increase (If City Meets Revenue Trigger) – If revenue trigger is not met, a "Retention Incentive" will go into effect for recently hired officers	Reinstate (or continue) Merit Step Increase (if City Meets Revenue Trigger) -If revenue trigger is not met, a "Retention Incentive" will go into effect for recently hired officers 3% Across The Board Pay Raise 2 Additional Holidays for Uniformed Staff Increase Education Incentive Pay (April 1st)	Revenue triggers not met - Steps not reinstated. Retention incentive of \$1,000 provided to newly hired officers.

2010 Meet & Confer Contract Provisions Related to Pay

			Cantra et Terre								
	=>//a //#		Contract Term		=>//0 /0						
	FY10-11*		FY11-12		FY12-13						
Salary Related Proposals	Officer Gave Up Officers Receive		icer Gave Up/ cers Received		er Gave Up/ ers Received						
5 Days Mandatory City Leave*	\$ (7,500,00	00)									
Comp Time for OT Police**	\$ (7,457,50	00) \$	(3,728,750)								
Comp Time for OT Fire***	\$ (1,200,00	00) \$	(600,000)								
Fire Dispatch Office Schedule Changes	\$ (400,00	00)									
3 Days Mandatory City Leave		\$	(4,500,000)								
3% Across the Board (effective 10/1/2012)				\$	13,927,316	****	This is the salary value of two days off. Budgetary impact is				
Retention Incentive (if Trigger <i>not</i> met)		\$	1,075,443					ise Fire must hire			
Retention Incentive (if Trigger <i>not</i> met)				\$	410,061		staffing leve days.	vels for these two			
2 Holidays				\$	3,800,000		-				
Education Pay Increase (4/1/2013)				\$	5,721,855	****					
IF REVENUE TRIGGERS NOT MET	\$ (16,557,5	00) \$	(7,753,307)	\$	23,859,232	\$	(451,575)				
* Base pay will be reduced by 1.923%					This is the 14		aul coat of				
** Keeps FTO OT of \$851,680 and other	er Reimbursed OT				This is the 'f						
*** Only for Admin, Arson, and Inspect	ion units. Comp for	OT doe	sn't work in Ope	erations	Incentive Po						
**** On-going expenses.				cost is twice							

2008 RECESSION IMPACTS – DALLAS AND NATIONWIDE

2008 Recession

- ☐ In 2008, the country experienced one of the largest fiscal crises in U.S. history.
- □ This recession was felt world-wide.
- Budgets plummeted, unemployment skyrocketed, and pay cuts became the norm.
- □ Nationwide, headlines focused on the recession's impact on employees.
- ☐ Dallas employees were not immune to these fiscal realities.

Below is a Sampling of the Headlines from around the United States

2010 22% of Cities Cutting Public Safety Costs San Francisco Mayor Lays off Majority of City Employees; Plans to Rehire Them with 6.25% Pay Cut to Save \$50 Million Ohio City slated to Layoff Almost Half of Its Officers NY Governor considering furloughs for 100,000 state employees Atlantic City police layoffs and demotions set to begin St. Louis poised to trim employee pay, layoff firefighters Oakland Lays Off 80 Police Officers □ Colorado Springs Turns Off 1/3 of Streetlights, Auctions Police Helicopter Long Beach City Council Oks budget including police cuts, rotating fire station closures Newark to lay off all but 19 of 184 police recruits

2011 Cleveland – Total of 466 positions being cut Las Vegas FF union come to tentative agreement on 5% pay cut, no layoffs McAllen, TX – City terminates police union contract, slashes benefits New Jersey's 3rd largest city lays off 125 police officers San Jose officials warn of massive police and fire layoffs Minn. Senate OKs cutting 15 percent of state workforce NYC Mayor Delays Hiring Of 540 NYPD Cadets L.A. plan would cut 18 fire companies, four ambulances San Jose police agree to slash pay 10 percent Los Angeles city council approves budget cuts to police, fire and parks

Below is a Sampling of the Headlines from around the United States

2012 □ Number of New Orleans Police Officers at 39-Year Low □ Detroit, MI – Judge denies Detroit Police Union request to Halt 10% Wage Cut, Work Rule Changes □ Providence, RI – Firefighters OK settlement on Pension Freeze 2013 □ Davenport, IA – Arbitrator Rules for Wage Freeze for Police □ Linden, NJ – City has plans to layoff more than 25% of Police Force □ First Contract for Buffalo Firefighters in 11 years □ Layoff notices go out to 26 Portland Firefighters

City of Dallas' Financial Picture During Recession

- Budgetary shortfalls resulted in a hiring freeze, furlough days, salary reductions, and a Reduction-in-Force (RIF).
 - FY 09-10 Civilian Reductions-In-Force (RIFs)
 - ☐ 792 Civilian employees received RIF notices
 - □ 405 Employees left the City due to RIF
 - FY 10-11 Civilian RIFs
 - □ 439 Civilian employees received RIF notices
 - □ 27 Employees left the City due to RIF
 - FY 11-12 Civilian RIFs
 - 115 Civilian employees received RIF notices
 - □ 18 Employees left the City due to RIF
- Dallas, unlike many cities, was able to avoid any uniformed RIFs during this downturn.

Civilian and Uniformed Pay Changes – last five years

FY			Civilian	Uniform							
FY 08-09	* 3% Average Mei	rit (effective April	1, 2009)		* 5% Step						
110003	* 0.77% Pay reduc	ction via 2 Furlou	gh Days*		370 Step						
FY09-10	* No merit increas	ies			* No Steps						
1103-10	* 1.9231% Pay red	duction via 5 Furl	ough Days		No Steps						
	* No merit increas	es			*No Steps						
	* Up to a 6.08% Pa		•	* 1.9231% Pay reduction via 5 Mandatory City Leave (MCL) Days							
	additional pay reduc	ction based on sail	ary as below:		* Comp Time for overtime (full FY). Police and Fire Admin Only.						
FY10-11	Employee Base Pay	Reduction for MCL	Additional Reduction	Total Pay Reduction							
	Less than \$29,999	3.08%	0%	3.08%							
	\$30,000 - \$89,999	3.08%	2%	5.08%							
	\$90,000 or more	3.08%	3%	6.08%							
	* No merit increas	ses			* No steps						
FY11-12	* October 1 st - Res	* October 1 st - Restoration of 4 of the 8 MCL Days (1.5625% pay restoration) * October 1st - Restoration of 2 of the 5 MCL Days (0.77% pay restoration)									
	* May 30, 2012 –	Restoration of pa	y cut based on s	alary	* Comp Time for overtime (half FY). Police and Fire Admin Only.						
	* Restoration of re	emaining 4 MCL D	ays (1.59% pay	restoration)	* No Steps						
EV42.42	* 1.5% Average M	lerit (effective De	cember 1, 2012)		* Restoration of the remaining 3 MCL Days (1.15% pay restoration)						
FY12-13					* 3% Across-the-Board pay increase effective October 1 st						
					* Increase in Educational Incentive Pay						
					* 2 Additional holidays						

^{*} When the City began requiring employees take days off without pay, it was done in the manner of 'furlough days' – employees got the day off but they didn't get paid for that day.

^{**} The 'furlough' days were hard on employees because on pay periods where they had a furlough day, their paycheck was 20% less than usual. In order to spread the reduction off throughout the year, we took a pay reduction at the beginning of the year equal to the number of hours of 'furlough' time employees were required to take. We named the furlough days, "Mandatory City Leave" days. It's similar in concept but different in implementation.

SANITATION WORKERS

Sanitation Workers

- Sanitation Department has the following positions related to refuse pick-up.
 - Truck Driver II (Refuse trucks)
 - Senior Truck (Transfer Drivers)
 - Contract Labor (non-City employee)
- Sanitation is experiencing hiring and retention problems for Truck Drivers.
 - Sanitation has filled almost 50 Truck Driver/Sr. Truck positions in the last 12 months.
 - Turnover rates for Truck Driver II's is almost 39%.
 - ☐ This turnover occurs mostly in the first two years of employment.
 - Vacancies and turnover result in increased overtime, as well as decreased efficiency and reduced quality customer service due to drivers learning their routes.

Sanitation Workers – Proposed Adjustments for 10/1/13

- □ Truck Driver II (Collection Drivers)
 - Market data (average rate) \$15.69
 - Current average pay \$14.06 (average starting is \$12.85)
 - Proposed hiring rate \$14.79
 - Adjustment rate (current employees) \$15.25 or 2%
 - Cost \$843,060
- Sr. Truck Drivers (Transfer Drivers)
 - Market data \$18.10
 - Current average pay \$15.51 (average starting is \$14.00)
 - Proposed hiring rate \$15.96
 - Adjustment rate (current employees) \$16.45 or 2%
 - Cost \$50,925
- Increases in employee compensation, new contract labor cost and fleet maintenance have resulted in a proposed \$.39 fee increase in FY 2013-14.

Sanitation Drivers – Additional Pay Elements

- ☐ In 1991, the City Council implemented Sanitation Bonus Incentive Pay/Task Pay for refuse and brush collection.
- □ Truck Driver II positions in Sanitation are eligible to receive a bonus of \$100 per month paid on a quarterly basis.
- □ Employees are eligible to earn the bonus pay in accordance with meeting specific requirements related to safety, absences, discipline, injuries, driver vehicle reports, and tardiness criteria. Specifics include completing the following during a given month:
 - No sick leave or unauthorized time (excludes city approved holidays, prior approved vacation, death in the family, etc.)
 - No chargeable accidents
 - No disciplinary action regardless of source of discipline such as safety, attendance or other
 - Complete accurate vehicle reports daily
 - No chargeable injuries
 - No late arrivals in excess of 10 minutes

Impact on Fee to bring Contract Workers on as City Employees

- □ It is estimated that the impact to the Sanitation fee would be approximately \$1.10 -\$1.30 per month to bring contract workers on as City employees.
- ☐ The cost increase would be related to salary and workers' compensation costs.

MERITS VERSUS ACROSS THE BOARD PAY INCREASES

Performance-Based Pay (Merit)

A financial reward system for employees where some or all of their monetary compensation is related to how their performance is assessed relative to stated criteria during a given time frame.

<u>Advantages</u>

- Clarifies job responsibilities and expectations
- Enhances individual and group productivity
- Drives behavior to align with the organization's core values, goals and strategy
- Promotes a climate supporting superior performance
- Provides a common approach to management with a set of known expectations within and between departments
- Improves the integration of activities at all levels of the organization to provide a sense of direction, and
- ☐ Assists in attracting, motivating, and retaining quality City personnel.

<u>Disadvantages</u>

- Harder to implement
- Requires supervisors to differentiate employee performance
- □ Time consuming
- ☐ Some employees may perceive evaluations as unfair

Across-the-Board Pay Increases

□ A raise of a fixed percentage or amount that affects all employees the same way

<u>Advantages</u>

- Rewards longevity
- Easier to implement
- □ Less subjective than a performance-based merit system

<u>Disadvantages</u>

- Stars and top performers see no incentives for high achievement
- Under-performers benefit equally
- Organizational productivity may actually decrease

Performance-Based Pay History

- Prior to 1995, the civilian salary schedules were on a grade and step plan
- Each grade had approximately six to nine steps, depending on the schedule
- ☐ Steps were 5%
- In 1993, the City hired the Hay Group to redesign the compensation system which included implementing a pay-for-performance system starting in 1995

APPENDIX

CITY OF DALLAS SPECIAL PAY SCHEDULES

Attachment B

Dallas Police

Department

Special Pays

POLICE SPECIAL PAY Effective October 1, 2012

Certification Pay (applicable to all ranks)

Rate: TCLEOSE Intermediate Certification: \$200 per month

TCLEOSE Master Certification: \$500 per month

Note: Certification requirements and TCLEOSE verification must be completed by 9/30/12 in order to receive navment

Detective Assignment Pay (applicable to Police Senior Corporal)

Rate: \$100 per month for assignment to investigative duties as a Detective

Educational incentive Pay (applicable to all ranks)

Rate: \$4 per month for each 3 semester hours of college credit earned after the first 45 hours up to 45 hours

Maximum: \$60 for 45 hours (90 total), or \$100 per month for Bachelor's Degree

Educational incentive Pay (applicable to all ranks)

	Pay Rate											
	0 - 45 hours	45 - 90 hours	90 - 105 hours	105 hours or more	Max w/o Bachelors	Bachelors Degree						
Effective April 1, 2013	0	Every additional 3 hours credit- \$12 per month	Every additional 3 hours credit - \$12 per month	0	\$240 per month	\$300 per month						

Field Training Officer Pay (applicable to Police Senior Corporal)

Rate: \$100 per month for assignment as Field Training Officer

Narcotics Hazardous Material Interdiction Team

Applicable to selected positions in Narcotics Division (Clandestine Lab Squad) as determined by the Police Chief and approved by the Director of Human Resources.

Rate: Ranks of Sergeant and below: \$100/month

Patrol Duty Pay (applicable to ranks of Police Officer and Police Corporal)

Paid for assignment to a Patroi, Traffic, Special Operations Divisions and Gang Unit according to the folio

6 Years Service \$100 per month 8 Years Service \$125 per month 10 Years Service \$150 per month

Retention incentive (applicable to all ranks)

Rate: \$5,000 lump sum.

Must have completed 5 continuous years of service as a uniformed employee after 9/30/05 based on adjusted date of appointment as uniformed employee, excluding any breaks in service due to disciplinary action, reappointment, or reinstatement.

Retention incentive (applicable to all ranks)

Rate: \$3,000 lump sum.

Must have completed 10 continuous years of service as a uniformed employee after 9/30/07 based on adjusted date of appointment as uniformed employee, excluding any breaks in service due to disciplinary action, reappointment, or reinstatement.

Service Pay (applicable to all ranks) - Article 1269q, V.T.C.S.

Rate: \$4 per month for each year of service completed Maximum: \$100 per month for 25 years of service

Shift Assignment Pay

Rate: 3.5% for uniformed Police

Rate: 6.5% for First Watch from 12:00 midnight to 8:00am

Dallas Fire

Special Pays

Rescue

FIRE SPECIAL PAY Effective October 1, 2012

Service Pay (applicable to all ranks) - Article 1269q. V.T.C.S.

Rate: \$4 per month for each year completed Maximum \$100 per month for 25 years of service

Education Incentive Pay (applicable to all ranks)

Rate: \$4 per month for each 3 semester hours of college credit earned after the first 45 hours, up to 45 hours (90 total).

Maximum: \$60 for 45 hours (90 total), or \$100 per month for Bachelor's degree.

Educational Incentive Pay (applicable to all ranks)

	Pay Rate					
	0 - 45 hours	45 - 90 hours	90 - 105 hours	105 hours or more	Max w/o Bachelors	Bachelors Degree
Effective April 1, 2013	0	additional	-	0	\$240 per month	\$300 per month

<u>Certification & Assignment Pay</u>: Employees may only receive two (2) certification or assignment pays at one time. Employee may select the two certification/assignment pays to be received.

<u>Aircraft Rescue (ARFF)</u> - applicable only when assigned to stations designated by Fire Chief Lieutenant and below: \$150 per month

Captain and above: \$350 per month

Arson Investigator - applicable only when assigned as Arson Investigator by Fire Chief; \$175 per month

EMS Assignment Pay

Applicable to non-supervisory, and EMS Lieutenant and Captain ranks. Paid for ambulance assignment as follows:

Initial Certification - 4 Years	\$200 per month	8 Years & 1 Day - 11 Years	\$300 per month
4 Years & 1 Day - 6 Years	\$250 per month	11 Years & 1 Day - 14 Years	\$350 per month
6 Years & 1 Day - 8 Years	\$275 per month	14 Years & 1 Day +	\$400 per month

<u>Firefighter/Fire Inspector Certification</u> - applicable to employees of all ranks who meet certification requirements

(Eligible employees may receive certification pay for either Firefighter or Fire Inspector, but not both)

Intermediate: \$175 per Month

Advanced: \$250 per Month

Master: \$500 per Month

Fire Instructor - applicable only when assigned as Fire Instructor by Fire Chief; \$175 per month

<u>Hazardous Material Response Team (HAZMAT)</u>: applicable only when assigned to stations designated by Fire Chief

Lieutenant and below: \$150 per month Captain and above: \$350 per month

<u>Paramedic Certification</u> - applicable to selected positions in the Fire Rescue Department as determined by the Fire Chief and approved by the Director of Human Resources.

(Certification pay is included in assignment pay for regular paramedic assignments.)

Rate: \$75 per month

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CITY OF DALLAS AND OTHER TEXAS CITIES SPECIAL PAY

Police Special Pay

Monthly Pay Items Unless Noted Otherwise

				POLICE SPECIA								
			MONTHLY P	ay Items Unles	s Noted Othe	rwise				Г		
Location	Arlington	Austin	Dallas	Ft Worth	Garland	Grand Prairie	Houston	Irving	Plano	San Antonio		
Department	Police	Police	Police	Police	Police	Police	Police	Police	Police	Police		
Education Pay:												
60 hours college credits		\$ 100	\$ 60	\$ 60	-	-		\$ 20		-		
65 to 94 college hours		-		-	-	-	-	-		\$ 60		
75 hours		-	-	-	-	-	-	\$ 40		-		
90 hours	\$ 75	-	\$ 180	-	-	-	-	\$ 60		-		
95 to 124 college hours	-	-	-	-	-	-	-	-	-	\$ 90		
105 hours or greater	-	-	\$ 240	-	-	-	-	-	-	-		
125 to 154 college hours	-	-		-	-	-	-	-	-	\$ 120		
155 to 184 college hours			-	-	-	-	-	-		\$ 150		
185 to 214 college hours		-	-	-	-	-	-	-		\$ 180		
215 to 229 college hours		-	-	-	-	-	-	-	-	\$ 210		
230 or more college hours	-	-	-	-	-	-	-	-	-	\$ 240		
Associates Degree	\$ 50	\$ 100	-	\$ 60	-	\$ 50	-	\$ 50		\$ 215		
Bachelors Degree	\$ 110	\$ 220	\$ 300	\$ 120	\$ 125	\$ 100	\$ 140	\$ 125		\$ 315		
Masters Degree	\$ 110	\$ 300	-	\$ 120	\$ 150	-	\$ 240	\$ 150		\$ 335		
Doctoral Degree		-	-	-	-	-	\$ 340	-		\$ 350		
Certification Pay:												
Instructors Certification	-	-			-			-		\$ 20		
Basic Certification		-		-	-	-	-	-		\$ 50		
Intermediate Certification	-:-	-	\$ 200	\$ 30		\$ 40	-	\$ 30	\$ 60	\$ 160		
Advanced Certifiaction			\$ 200	\$ 60	\$ 75	\$ 80	-	\$ 60	\$ 80	\$ 200		
Master Peace Officer												
Certification		\$ 150	\$ 500	\$ 120	\$ 95	-		\$ 90	\$ 120	\$ 240		
Officer Pay:		A 175								A 455		
Crisis Intervention Officer		\$ 175	-		-	-				\$ 157		
Probation Officer				-	-	-		-		-		
Narcotics Hazardous Material			\$ 100	-		-				\$ 157		
Field Training Officer	5%	\$ 175	\$ 100	10% of base salary / mo	\$ 100	\$ 100	- 3%		\$19 / day	\$ 265		
Detective Officer	\$ 50		\$ 100		-		-			-		
S.W.A.T. Officer	-	-	-	-	-	-	-	-	-	\$ 157		
K-9 Officer					-		-			\$ 157		
Bomb Officer					-		-			\$ 157		
Motorcycle Assignment	\$210.41 to \$243.33 / mo	-		-	-	-	-			-		
Volunteer Officer		-	-	-	-	-	-	-		\$ 157		
Patrol Duty Officer:												
6 years of services	-	-	\$ 100	-	-	-	-	-	-	-		
8 years of services	-	-	\$ 125	-	-	-	-	-		-		
10 years of services	-	-	\$ 150	-	-	-				-		
Retention Pay:												
5 years uniformed continous			\$5,000									
srvc			One-Time	-			- -					
10 yrs uniformed continous srvc			\$3,000 One-Time	-		-						
Service Pay:												
Based on yrs of srvc.	\$234/Max	\$100/Max	\$100/Max	\$100/Max	\$100/Max	\$100/Max	\$100/Max	\$150/Max	\$100/Max	\$100/Max		
Additional Pay:												
Investigator	\$ 50			-	-							
	- 30		3.5% - 3rd									
Shift Differential	6%	\$ 300	Watch 6.5% - 1st Watch	3% Evening / 5% First Watch	-	\$ 100 -		2%-3%		\$ 350		
Bi-Lingual Pay	\$ 50	\$ 175	\$110 or \$150	\$100/\$125	\$100 / \$150/*\$200 (if sign language)	\$100/\$150	-	\$40/\$60/ \$150/\$250/ \$400	-	\$ 50		
Clothing Allowance	\$300/yr	\$500/ yr	-					\$660 / yr -		\$1,200 / yr	\$250 - \$500 / yr	
Drug Recognition		-	-	-	-	-				\$ 100		
			-		-: -:					\$ 157		
Helicopter Pay					-: + :-					2 12/		

Fire Special Pay

Monthly Pay Items Unless Noted Otherwise

						EII	DE CI	PECIAL	DAV													
				N	IONT	HLY Pay It				ed Othe	rwise											
	Т			·V	91411	ray II		ornes:	1100	ou ouit		rand										
Location	Arlington Austin		Arlington Austin			Dallas	Ft \	Worth	Ga	rland		airie	Houston		In	ving	P	lano	San	Antonio		
Department		Fire	F	ire		Fire Fire		Fire		Fire	Fire		Fire	•	F	ire	Fire			Fire		
Education Pay:																						
30-59 college hours	\$	25		-		-				-		-	-					-		-		
60 hours or more colleges credits	\$	50	\$	50	\$	60	\$	60					-		\$	20				-		
75 hours				-		-		-					-		\$	40		-		-		
90 hours	\$	75	_	-	\$	180				-		-	-		\$	60				-		
105 hours or greater	1		_		\$	240	_						-		ļ.,		_			-		
Associates Degree	\$	50	ļ.,	-		-	\$	60	_				-		\$	50	₩		\$	185		
Bachelors Degree	\$	110	\$	100	\$	300	\$	120	_						\$	125	-		\$	290		
Masters Degree	\$	110	-		_	-	\$	120	<u> </u>						\$	150	\vdash	-	\$	310		
Doctoral Degree	-	-	_	_		-		•				-			_	<u>. </u>		•				
Certification Pay: Basic Certification	-																		\$	65		
	+	•	4	50	ė	175	\$	30	ė	25	é	- 60			\$	30	\$	- 60	\$	95		
Intermediate Certification	+	-	\$	100	\$	250		60	\$	50	\$	80	- :			60		80		135		
Advanced Certification	+	<u>. </u>	\$		\$	500	\$		\$	100	\$	100	_		\$		-		\$	175		
Master Certification		•	\$	150	\$	500	\$	60	\$	100	\$	100			\$	90	\$	120	\$	1/5		
Additional Pay: Assignment Pay (8hr position)		5%													Ś	250						
Assignment Pay (8hr position) Shift Differential	+	3 70	\vdash	:		-		:	<u> </u>	-	_	-	<u> </u>		_	6-3%			_			
Sinc Offerential	+	•	\vdash	-		-		•		100	-	-	<u> </u>		\$40,				_			
										150/						\$60, , \$250,						
Ri-Lingual Pay	\$	50	\$	150	611	10/\$150	610	00/125		200	610	0/\$150	\$	69	\$400	, \$250,			\$	50		
Bi-Lingual Pay	+,	50	>	150	\$1.	10/\$150	\$100/125		,	200	\$10	0/\$150	ş	69		/\$100/	\vdash	•	ş	50		
Fitness Incentive Day																150						
Fitness Incentive Pay Special Operations	+	÷	\$	150	\vdash	-		•		•		:	-:		-	100	\vdash	:	_			
Training Instructor Pay:	-	_	>	150		•				_		_				<u> </u>		<u> </u>				
Instructor training (Initial)	-																		\$	50		
Instructor Training (Certified)	+	-	\vdash	•	\$	175		•	\vdash	÷		:	-:		-	:	\vdash	:	\$	350		
Instructor II/III	+	-	\vdash	-	۶	1/3	Ś	175	\$	25		:			-	•	\vdash	-	٦	330		
Instructor I/II/III (Training Only)	+	÷	\vdash	•			\$	175	\$	100	Ś	100	-:		-	•	\vdash	•	\$	450		
Assignment Pay:	-	_	_	-		_	2	1/3	2	100	Ŷ	100				_		_	3	430		
Arson Initial Assignment Pay	-					_													\$	50		
Arson Cert/Investiation Pay	+	5%	\vdash	•	Ś	175	\$	175	Ś	100		•			\$	100	\vdash	•	\$	350		
Haz-Mat Team	\$	100	\vdash	-		50/\$350	\$	100	7	100	-		-			/\$125	\vdash	•	\$	100		
Dive/Swiftwater Team	\$	50	\vdash	•		50/\$350	\$	100		-		-	-		\$	50	\vdash		,	100		
USAR Assignment	Ť	- 50	-			50/\$350	7	- 100					-		1		\vdash					
Gas Well Response Team	Ś	50	\vdash		71.	-							-							_		
Technical Rescue Pay:	Ť																					
Technical Rescue Team (Initial)	_																		\$	50		
Technical Rescue Team (Certified)	\$	50	-		-										-		\vdash		\$	100		
Aviation Assignment Pay:	Ť	-																		100		
Aircraft Rescue	_	-	\$	150	\$15	50/\$350													\$	100		
Paramedic Monthly Pay:			Ť	200	YZ	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,														200		
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EMT	\$	100			\$	25						_										
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Paramedic Pay	\$	100			\$	75	\$	100	\$	100	\$	200				225		4 / mo				
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Paramedic - Restricted		-											weel									
	\top												\$276				-					
Paramedic - Unrestricted		-										-	weel	dy								
Initial paramedic training	\top	-				-						-	-								\$	50
Initial - 4yr	Т			-	\$	200													\$15	0/\$250		
4yr & 1 Day - 6yrs	\top	-			\$	250									- : -					0/\$300		
6yr & 1 Day - 8yrs	Т			-	\$	275												-	-			
8yrs & 1 Day - 11yrs					\$	300																
11yrs & 1 Day - 14yrs		-			\$	350							-						\$25	0/\$350		
14yrs & 1 Day +				-	\$	400							-							-		
Paramedic Shift Pay:																						
Per shift pay		-		-		-			\$	30			-					-		-		
Longevity Pay																						
Based on yrs of srvc.	\$2	22 Max	\$10	0/Max	\$10	00/Max	\$57	5/Max	\$10	0/Max	\$10	0/Max	\$100/	Vlax	\$15	0/Max	\$10	0/Max	\$10	0/Max		
Fire Inspectors Pay:																						
Fire Inspectors (Initial)		5%				-													\$	50		
Fire Inspectors (Certified)		-				-			\$	100									\$	100		
	_						_															

AUGUST 1, 2012 TOTAL COMPENSATION BRIEFING

City of Dallas

Total Compensation: A Review of Employee Pay & Benefits

City Council August 1, 2012



Presentation Overview

- What is "Total Compensation"?
- Why is "Total Compensation" important?
- What is required by law?
- City of Dallas Pay & Benefits
- ☐ How does the City compare to other employers?
- Recommendations & Summary

What is "Total Compensation"?

- Total compensation, pay and benefits, is comprised of two basic elements:
 - Pay elements
 - Salary, overtime
 - "Special Pay" Items
 - Shift differentials, Certification Pay, Education, Language Skills, Longevity Pay, Assignment Pay
 - Benefit elements
 - □ Comprehensive Healthcare Program
 - Insurance Offerings
 - Workers' Compensation
 - □ Deferred Compensation
 - Paid Leave
 - Pension

Competing Against Other Employers

- The City competes for employees in the labor market
 - Total compensation must be able to be measured/compared
 - Benefit levels vary by type of organizations
 - □ Public vs. private
 - Different industries
 - Challenges
 - □ Spend tax dollars prudently
 - □ Be an employer of choice (recruitment)
 - Maintain a quality workforce (retention)

Importance of "Total Compensation"

- To attract and retain qualified employees, pay and employersponsored benefits must be:
 - Perceived by prospective and current employees as valuable
 - Commensurate with the value of the work performed
 - Focused on "Total Compensation" rather than individual elements
 - Compliant with various laws and mandates

Importance of "Total Compensation" (cont'd)

- ☐ If the City cannot compete in the labor market, not only is hiring impacted but the City's operations are also negatively impacted. For example:
 - If we do not compensate mechanics commensurate with the market, we can hire people with fewer skills and train them but once they are trained, they leave for better pay and benefits
 - □ If we do not have enough trained mechanics, we cannot fix garbage trucks, squad cars, and other equipment in a timely manner
 - Not being able to fix equipment quickly results in operational employees not having the tools they need to complete their work so the work doesn't get done on time and employees are not as efficient as they need to be

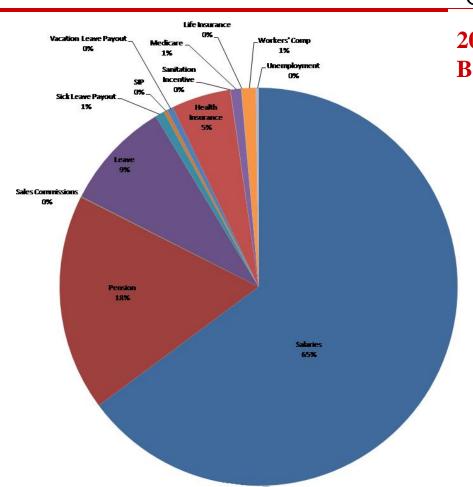
What is Required?

- Compliance with Federal and State laws related to wages, special pay, hours/overtime, protected leave, unemployment, discrimination and workers compensation, etc.
- City rules and policies governing employment included in the City Charter and Personnel Rules

For more information on City requirements, see pages 138 and 139 in the appendix

CITY OF DALLAS - COMPENSATION

Overview - Cost of Major Pay & Benefits Elements CY 2011



2011 Cost of Major Pay & Benefits Elements: \$917,788,925

Pay Elements

Compensation Overview

- ☐ The City has five Salary Schedules
 - Civilian
 - □ \$42,644 Average Salary
 - Legal
 - □ \$72,124 Average Salary
 - Auditor
 - □ \$89,923 Average Salary
 - Police
 - □ \$64,752 Average Salary
 - Fire
 - □ \$65,0645 Average Salary

Civilian Pay

Information on Civilian Employee Pay

- □ Civilian jobs are placed in Grades
 - The City has 20 civilian job grades:
 - ☐ Grade A (lowest) to Grade T (highest)
 - Jobs in the same grade have similar levels of complexity and scope of influence
 - Job grades have a pay minimum, midpoint, and maximum which reflect the complexity of the position
 - When comparing the City's pay to other employers, the midpoint of the range is compared to the middle of the market

Civilian Pay Categories

- ☐ Category 1: Entry to mid-level position (Grades A-E)
 - 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 52% of civilian employees are in this category
- □ Category 2: Professional/Supervisory—(Grades F-K)
 - Typical positions: Accountant, Supervisor I & II, Inspector II, Executive Assistant, Electronic Technician, Master Electrician, Engineer, Librarian, Sanitarian
 - 40% of civilian employees are in this category
- ☐ Category 3: Sr. Professional/Manager—(Grades L-P)
 - Typical positions: Assistant Director; Sr. Engineer, Sr. Architect, Manager III, IT Manager
 - Approximately 6% of civilian employees are in this category
- □ Category 4: Executive Management—(Grades Q and above)
 - Typical positions: Director, Chief Financial Officer, Chief Information Officer, Assistant City Manager
 - Less than 1% of civilian employees are in this category

Special Pay Items

Civilian Employees

- In addition to base pay, some civilian employees receive 'special pay' for skills or assignments*
- Special pay for civilian employees averages \$653 annually per employee

^{*} List of civilian special pay items can be found on page 140 in the appendix

Uniform Pay

Uniformed Employee Pay

- Uniformed employees are on a "Step System"
- Each Uniformed Rank is in a pay grade which includes a series of "Steps"
 - Each step represents a 5% increase in base pay
- □ Special Pay Uniformed Officers
 - FY11-12 Budgeted cost for Police Special Pay is \$25,574,618
 - □ Special pay for DPD Officers averages \$7,282 annually per employee
 - FY10-11 Budgeted cost for Fire Special Pay is \$10,724,262
 - □ Special pay for DFR Officers averages \$5,665annually per employee

^{*} List of uniformed special pay items can be found starting on page 141 in the appendix

Benefits

Benefits - Healthcare

What is "healthcare"?

- ☐ Health Insurance Medical Plans
- ☐ City Hall Clinic
- □ Tax Exempt Spending Accounts
- □ Employee Wellness Program
- ☐ Employee Assistance Program

City of Dallas Healthcare

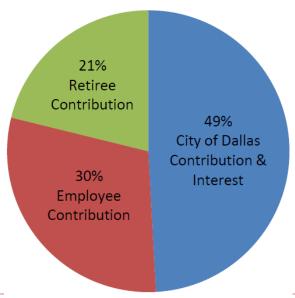
- ☐ Two plan options
 - Health Reimbursement Account (HRA)
 - Preferred Provider Organization (PPO)
- Offered to full-time and permanent part-time employees, councilmembers, retirees and qualified dependents
- □ Self-insured and administered by UnitedHealthcare
- □ 20,750 lives covered as outlined below:

Status	Plan	Lives Covered
Active	HRA	13,319
Active	PPO	4,422
Terminated	COBRA	39
Retiree	HRA	1,715
Retiree	PPO	1,106
Retiree	Over 65 HRA	47
Retiree	Over 65 PPO	102

Annual Health Care Contributions

Revenues (Millions)	FY 2010-2011
City of Dallas Contributions & Interest	\$54.315
Employees Contributions	\$32.833
Retirees Contributions	\$23.385
Total Revenues	\$110.532

FY 2010/11 Health Care Revenues



Benefits - Insurance Offerings

City of Dallas Insurance Offerings

- □ City Paid Insurance
 - Life Insurance \$50,000 basic life insurance for all fulltime employees
- Employee Paid Insurance (Voluntary Benefits)
 - Supplemental life insurance for employees and their dependents
 - Vision
 - Dental
 - Cancer
 - Accident
 - Short-Term Disability
 - Critical Illness
 - Hospital Confinement Indemnity
 - Universal Life Insurance

Benefits Workers' Compensation

Workers' Compensation

- Workers' Compensation is required by State law to provide benefits to employees for injuries or illnesses occurring during scope of employment
- Benefits
 - All related medical (lifetime)
 - Payment of lost wages
 - 70% of weekly wage (based on prior 13 weeks earnings)
 - Subject to weekly maximum (currently \$787)
 - Length of payment based on when employee released by doctor to return to work, or reaches Maximum Medical Improvement (MMI)
 - Maximum time to receive is 104 weeks
 - Wage supplementation
 - ☐ Difference between workers' comp pay and employee's net pay
 - Maximum time to receive is 52 weeks
 - Impairment Rating Payment
 - Once Maximum Medical Improvement reached
 - Impairment Rating (0 to 100%) established by doctor
 - Payment made based on rating

Workers' Compensation Costs

FY	Workers comp	Wage Supp	Total	# of Employees
FY06-07	\$10,968,032	\$1,146,246	\$12,114,278	1317
FY07-08	\$11,403,249	\$1,030,314	\$12,433,563	1245
FY08-09	\$11,198,623	\$1,011,034	\$12,209,657	1140
FY09-10	\$11,376,023	\$782,810	\$12,158,833	1201
FY10-11	\$9.916,965	\$661,560	\$10,578,525	1109

- The City's Workers' Compensation costs have been steadily decreasing due to:
 - Implementation of the City's certified network
 - Decrease in the number of workers' compensation claims
 - Active Limited Duty Program

Benefits Deferred Compensation Program

Deferred Compensation

- City's deferred compensation benefit features two plans a 401(k) and a 457
 - City does not contribute to either plan
 - 'Temporary employees' are required to contribute to the 457 plan in lieu of Social Security
- Each plan overseen by its own seven-member board of trustees, all of whom are City employees
- Plans administered by Fidelity Investments with assistance and management oversight from City's deferred compensation staff
 - Fidelity provides employee communications, and education for the respective plans

Benefits Paid Leave

Paid Leave

- Holidays
 - Employees currently receive 9 holidays
 - Per the Meet & Confer Agreement, beginning FY12-13 uniform employees will have 11 holidays
- Vacation Leave
 - Vacation leave varies by years of service
- Sick leave
 - Full-time employees receive 12 days per year
 - City does not pay for short-term disability, but allows sick leave accrual
- Attendance Incentive Leave
 - Rewards excellent attendance by granting additional time off to employees
 - Employees not using sick leave or leave without pay during a calendar quarter earn one day of additional leave
 - Employees not using sick leave sick leave or leave without pay for four consecutive quarters earn two days of additional leave

Benefits Pension

Pension Overview

- □ The City of Dallas has two pension plans
 - Employees' Retirement Fund (ERF) for civilian employees
 - Police and Fire Pension Fund (PFPF) for uniformed employees
- Both provide retirement, death, and disability benefits and both plans replace Social Security
- Both governed by their respective boards
- Employees' Retirement Fund Plan terms and provisions are governed by Chapter 40A of the Dallas City Code
- The Dallas Police & Fire Pension System Plan terms and provisions are authorized by State Law

Pension Contributions

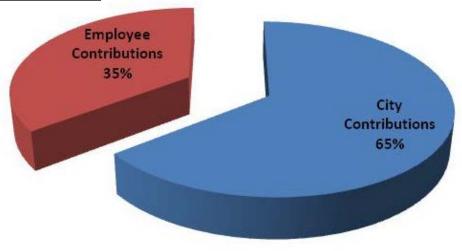
Mandatory contributions made by both employees and the City to the Pension Funds

Group	Employee Contribution	City Contribution
Civilian	10.79% of all earnings 18.37% of all earning	
Uniform	8.5% of Computation Pay:Base PayEducation PayLongevity Pay (Service Pay)	27.5% of all earnings

Employees' Retirement Fund (ERF)

Civilian Employees

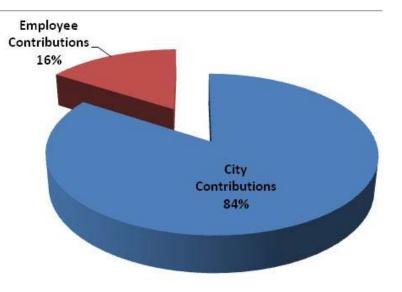
Employees' Retirement Fund (Civilian Employees)		
Group	Contributions (CY2011)	% of Total Contributions
Employees	\$ 31,748,000	35%
City	\$ 57,706,000	65%
Total	\$ 89,454,000	



Police & Fire Pension Fund (PFPF)

Uniformed Employees

Police & Fire Pension Fund		
Group	Contributions (CY2011)	% of Total Contributions
Employees	\$ 19,520,251	16%
City	\$ 103,980,832	84%
Total	\$ 123,501,083	



TOTAL COMPENSATION STUDY

2006 Total Compensation Study

- 2006 Contracted with the Hay Group to evaluate and compare the COD pay to the labor market.
- The city's goal is for pay to be near the market median so that we can recruit and retain employees
- ☐ Findings from the 2006 study
 - Police
 - □ Police Officer trainee pay was low compared to the market
 - Pay for newly hired police officers was low compared to surrounding cities
 - □ Deputy Chief salary ranges aligned with the market; however, the Deputy Chiefs in the rank at the time were low in the salary range because they were newly appointed.

- ☐ Findings from the 2006 study (cont'd)
 - Fire
 - □ Fire Rescue Officer trainee pay was low compared to the market
 - Civilian Employees
 - Category 1 Entry to mid-level positions (Grades A-E)
 - Pay was at the median of the market
 - ☐ Category 2 Professional/Supervisory—(Grades F-K)
 - Pay was at the 25th percent of the market
 - □ <u>Category 3</u> Sr. Professional/Manager—(Grades L-P)
 - Pay was slightly below the 25th percent of the market
 - Category 4 Executive Management—(Grades Q & above)
 - Pay was below the 25th percent of the market

Over 3-Year period, implemented the following changes*:

Police and Fire

- □ Eliminated the "Police Trainee" and "Fire Trainee" ranks and began hiring at the "Police Officer, Step 1" and "Fire Rescue Officer, Step 1" ranks
 - Increased starting pay for recruits
- □ Added additional special pay items
- Increased rates for existing special pay items
- □ Added two "Steps" to all the ranks
 - Adding steps increases the amount officers can earn at the top of the ranks

^{*} This is a summary of changes. Details can be found starting on page 150 in the appendix

Police and Fire (cont'd)

- Compressed Steps
 - Prior to compression, some steps were "One-Year" steps, others were "Two-Year" steps. This refers to the length of time an officer stays in a step before moving to the next step.
 - Compressing steps allows officers pay to increase faster

Police only changes

- Increased graduation incentive pay from \$1000 to \$6000 (one-time payment)
- Added a completion of probation incentive payment of \$4000 (one-time payment)
 - Both the graduation incentive and completion of probation incentive were eliminated in July, 2009 for budgetary reasons
- □ Added 5-year (\$5,000) and 10-year (\$3,000) retention incentive payments

Civilian employees

- Made adjustments to salary schedules over three year period
 - Adjusting salary schedules moves the minimum, maximum, and midpoints of the ranges to make the City's midpoints more closely align with the market
 - Adjusting salary schedules only increases pay for employees whose salaries fall below the 'new' pay minimum

Recent Staffing and Pay Changes*

	Staffing	Pay
Police & Fire	Number of officers has increased since 2008	 Pay Changes October, 2010 - Pay for officers was reduced two ways: Implementation of mandatory city leave days (aka 'furloughs') Police only - Officers received 'comp time' rather than overtime Since then, pay has been incrementally restored Number of mandatory city leave days has been reduced Officers were again allowed to earn overtime October, 2012 Pay fully restored Officers receive 3% 'across-the-board' increase Step Increases No Step increases for FY09/10; FY10/11; or FY11/12

^{*} This is a summary of pay changes. Details can be found starting on page 153 in the appendix

Recent Staffing and Pay Changes*

	Staffing	Pay
Civilian Employees	 Three consecutive years of Reductions-in-Force Since 2008: Number of civilian employees has decreased 19.3% 	 Pay Changes Beginning in July, 2009, multiple pay reductions: Implementation of mandatory city leave days Pay reductions of 0%, 2%, or 3%, based on salary Since then, pay has been incrementally restored Number of mandatory city leave days has been reduced Pay reductions partially restored October, 2012 Pay fully restored Merit Increases No merit increases for FY09/10; FY10/11; or FY11/12

Current Compensation Study

- World-at-Work, a non-profit organization that represents and certifies compensation professionals, recommends doing a total compensation study every three to five years
- In 2011, the City engaged Milliman to complete a study of the City's Total Compensation
 - The City identified 190 positions for salary comparison. Selected those that were:
 - Easily comparable positions exist in other organizations truck driver, secretary, police officer, etc.
 - Occupied by large numbers of City of Dallas employees, and/or
 - Positions that the City is having a hard time recruiting and/or retaining employees
 - Milliman also compared the City's benefits (health benefits, pension, and paid leave) to the market

Current Compensation Study

- Milliman compared City of Dallas to:
 - Peer cities and other public sector organizations referred to as "Custom Survey" in their report
 - □ Twenty-seven public sector organizations participated
 - □ Included jobs that only exist in public sector police officer, fire-fighter, for example
 - Also included positions found in both public and private sector
 - Private sector
 - □ Used published survey data (more than 20 survey sources)

City of Dallas

Total Compensation Study

Executive Summary

, 2012

Prepared by:
Milliman
1301 Fifth Avenue, Suite 3800
Seattle, WA 98101-2605
206/504.5545





Project Approach

- Analysis of cash compensation and major benefits
 - Medical, dental, vision
 - Life insurance
 - Long-term disability
 - Retirement
- Custom survey of eighty-two jobs, twenty-seven cities (custom survey group):

City of Austin
City of Baton Rouge
City of Charlotte
City of Chicago
City of Fort Worth
City of Frisco
City of Garland
City of Houston

City of Houston
City of Irving

City of Kansas City

City of Lubbock

City of Memphis
City of Mesquite

City of Oklahoma City

City of Philadelphia

City of Phoenix
City of Portland

City of San Antonio

City of San Diego
City of Seattle

City of Tulsa

DFW International Airport

Harris County Los Angeles

Metropolitan Government of Nashville & Davidson County

The City of El Paso

Travis County



Custom Survey Jobs

911 Call Taker

Airport Operations Officer, Senior

Animal Services Officer

Architect, Senior

Assistant City Attorney

Assistant City Attorney, Senior

Assistant City Auditor

Assistant Department Director (large)

Assistant Department Director (small)

Bailiff

Caseworker

Caseworker, Senior

Chief Financial Officer

Chief Planner

City Attorney

City Auditor

City Controller

Community Outreach Representative

Community Service Worker

Community Service Worker, Senior

Coordinator - Recreation

Council Assistant

Council Secretary

Court Specialist

Crew Leader

Crime Technician

Department Director (large)

Department Director (small)

Detention Officer

Economic Development Analyst

Environmental Coordinator

Fire and Rescue Officer

Fire and Rescue Officer Trainee

Fire Battalion/Section Chief

Fire Captain

Fire Deputy Chief

Fire Driver - Engineer

Fire Lieutenant

Information Technology Manager

Inspector

Inspector, Senior

Irrigation Technician, Senior

Laborer Librarian

Librarian, Senior

Manager Community Service

Manager Environmental Health

Manager Fleet

Manager Land Use Planning

Manager Solid Waste Manager Water Utilities

Municipal Judge

Parking Enforcement Officer

Planner, Senior

Plans Examiner, Senior

Police Chief

Police Deputy Chief

Police Dispatcher

Police Dispatcher, Senior

Police Lieutenant

Police Officer

Police Senior Corporal

Police Sergeant

Program Manager

Program Manager, Senior

Public Information Officer, Senior

Public Service Officer

Real Estate Specialist, Senior

Recreation Center Assistant

Recreation Program Specialist

Sanitarian

Service Agent

Supervisor Heavy Equipment

Supervisor Park Maintenance

Supervisor Water

Supervisor Water, Lead

Surveyor

Truck Driver

Water Field Representative

Water Meter Reader

Water Plant Operator



Project Approach (continued)

Published data for 115 jobs, twenty survey sources

Published Surveys

CompData Survey

Employers Assoc of America - Executive

Employers Assoc of America - NE/Ex

Economic Research Institute

Milliman Healthcare

Milliman Information Technology

Milliman Management & Professional

Milliman Non-Exempt & Exempt

Milliman Public Sector

Milliman Retail/Wholesale/Distribution

PSI Exempt Compensation Survey

PSI Non-Exempt Compensation Survey

Towers Watson Middle Management

Towers Watson Office Personnel

Towers Watson Prof - Administrative

Towers Watson Prof - Specialized

Towers Watson Supervisory Management

Towers Watson Tech & Skilled Trades

Towers Watson Top Management

United Way Survey



Published Survey Jobs

Accountant III
Admin Spec
Admin Specialist II
Assistant City Attorney
Asst City Auditor III
Buyer III
CAD Tech
Casew orker
Casew orker II
Chemist
Chief Financial Officer
City Attorney
City Auditor
City Controller
Computer Operator
Contract Comp Administr
Coordinator - Events/Me
Coordinator - General
Council Secretary
Crew Leader
Custodian
Customer Service Agent
Customer Svc Rep II
Database Analyst
Design Technician II

Economic Develop Analyst Electrician Flectrician Assistant Electronic Technician Engineer **Engineer Assistant** Environ Specialist II **Equipment Operator Executive Assistant** Executive Asst City Att **Executive Secretary** Financial Accountant Financial Specialist GIS Analyst III Heavy Equipment Opr HR Analyst II Human Resources Assista **HVAC Mechanic** IT Architect IT Business Analyst V IT Manager Laborer Laborer II Lead Custodian Legal Assistant

Librarian Library Associate Licensed Vocational Nur Manager - Warehousing Manager II - Business Manager II - Commun Manager II - Events/Med Manager II - Facilities Manager II - Fleet Serv Manager II - HR Manager III - Fleet Manager III - HR Manager III - Warehous Mechanic Mechanic II - Auto Serv Mechanic II - Heavy Netw ork Analyst Netw ork Analyst II Nutritionist Office Assistant Office Assistant II Painter Payroll Specialist, Senior Pension Benefits Specia Plumber

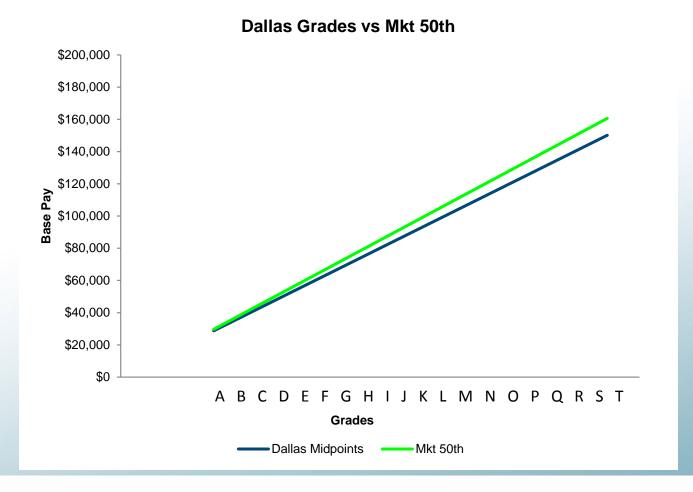
Programmer Analyst I Programmer Analyst II Programmer Analyst III Project Coordinator III Public Health Nutrition Records Mament Officer Risk Analyst, Senior Security Officer Sr Accountant Sr Architect Sr Assistant City Attor Sr Budget Analyst Sr Carpenter Sr Contract Comp Admin Sr Customer Service Rep Sr Electronic Techn Sr Engineer Sr HR Analyst Sr HVAC Mechanic Sr IT Analyst Sr IT Manager Sr Legal Secretary Sr Machinist Sr Maintenance Worker Sr Mechanic - Maintenan

Sr Office Assistant Sr Plumber Sr Public Inform Officer Sr Real Estate Spec Sr Security Analyst Sr Systems Programmer Sr Welder Storekeeper II Supervisor - Electrical Supervisor - Facilities Supervisor - Heavy Equip Supervisor - Maintenanc Supervisor II - Office Supervisor II - Pk Maint Supervisor II - Warehou Surveyor Systems Programmer Truck Driver II Water Plant Operator Web Designer



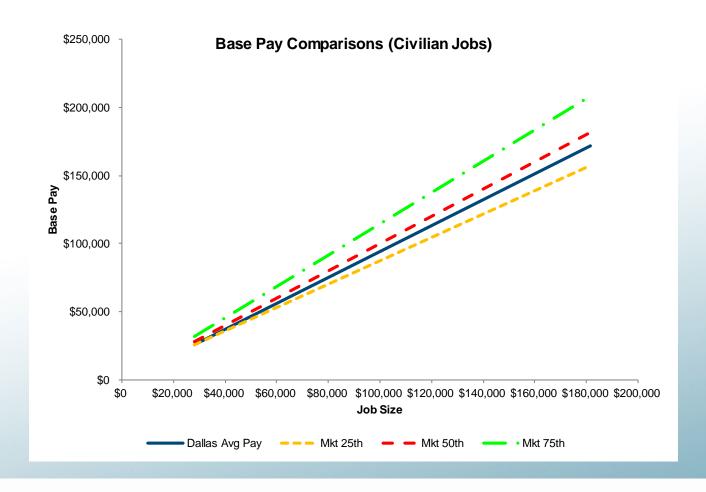
Pay Ranges – Civilian Jobs

 The midpoints of pay ranges for the civilian jobs included in this study are an average of 9% below market median



Base Salary – Civilian Jobs

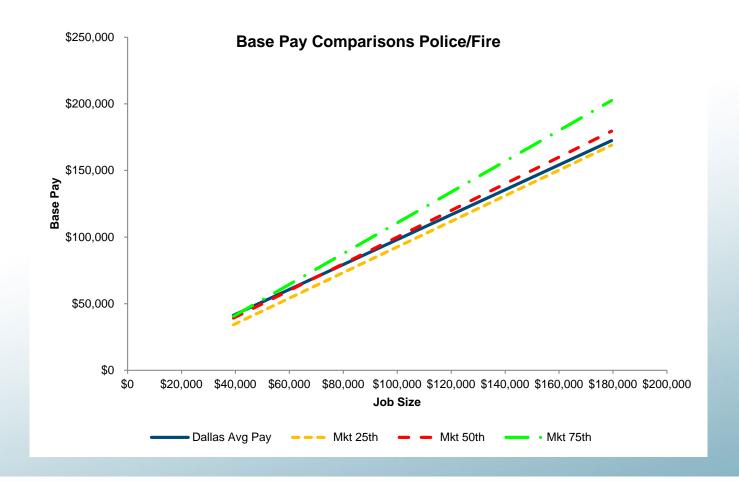
- Base salaries for civilian jobs average 7% below the market median (50th percentile)
- Base salary is less competitive at the higher job levels





Base Salary – Uniformed Jobs

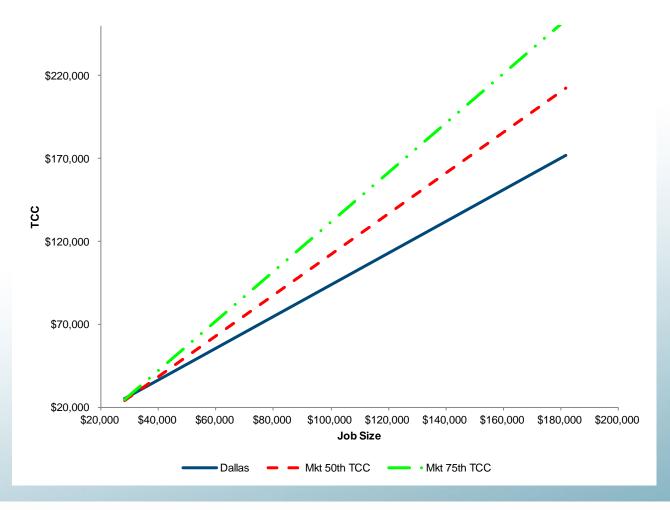
Base salaries for uniformed jobs are aligned with the market median (average at median)





Total Cash Compensation-Civilian Jobs

 Total cash compensation (salary plus annual cash bonuses) for civilian jobs at the City of Dallas is below the market median





Medical/Vision Benefits

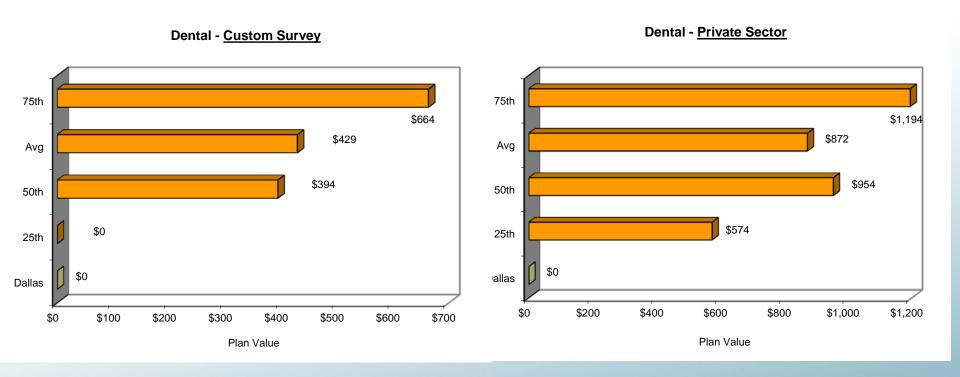
- Dallas' medical plan is below the 25th percentile of both the survey group and the private sector
- Values are relative from an employee's perspective. A higher dollar value means that the plans' features (including cost sharing arrangements) are better than those plans with lower dollar values.





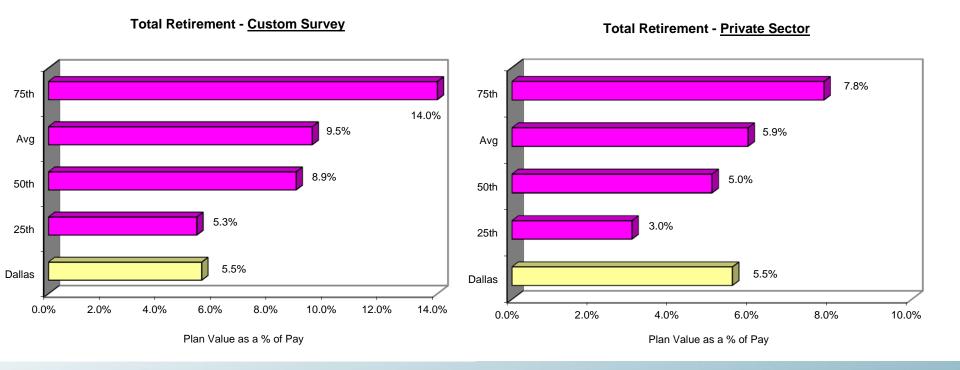
Dental Benefits

Dallas does not contribute to the dental plan, a practice consistent with the 25th percentile of the survey group but below the 25th percentile of the private sector



Retirement Benefits - Civilian Jobs

 Dallas' civilian retirement benefits are below the 50th percentile of the survey group and at median of the private sector

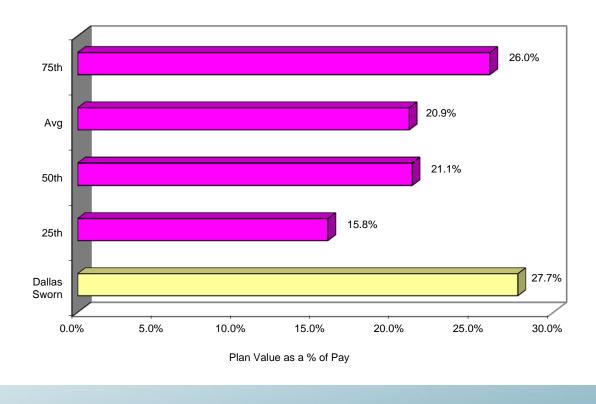




Retirement Benefits – Uniformed Jobs

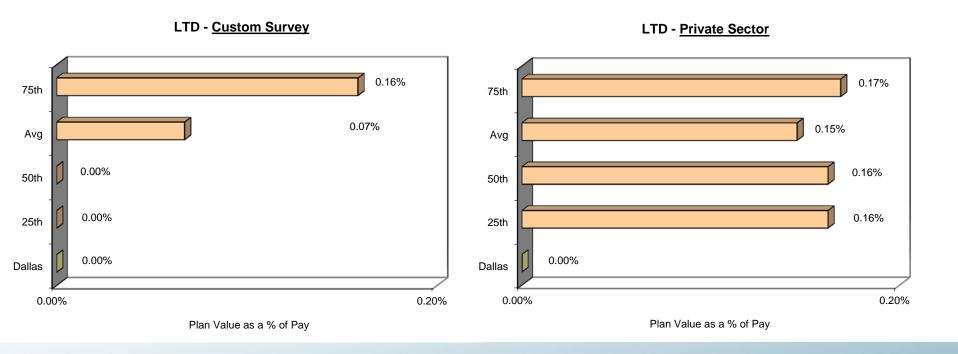
 Dallas' uniformed retirement benefits are above the 75th percentile of the survey group and the private sector (not shown here)





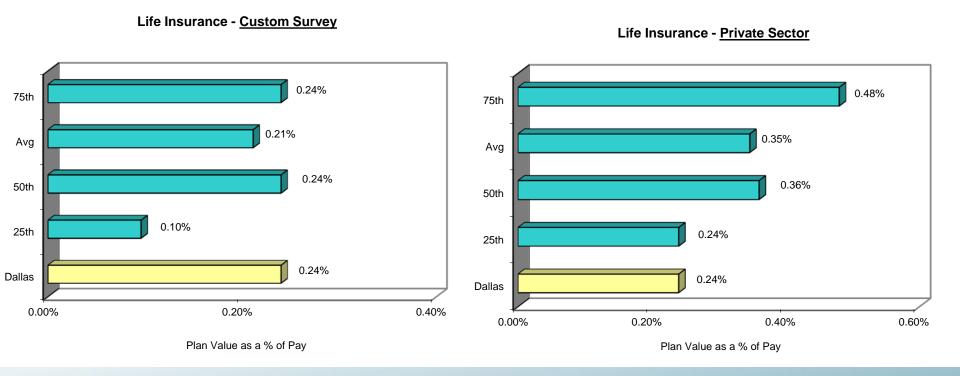
LTD Benefits

Dallas does not provide an LTD benefit, a practice similar to the survey group but below the 25th percentile of the private sector



Life Insurance

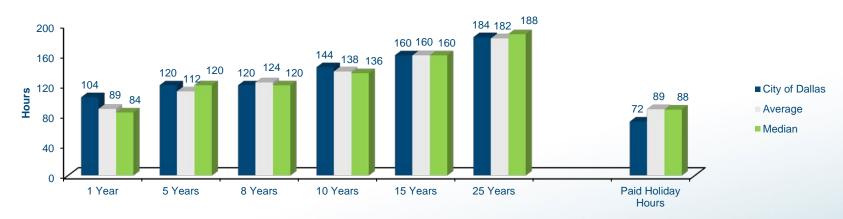
 Dallas' life insurance benefit is at the median of the survey group and at the 25th percentile of the private sector



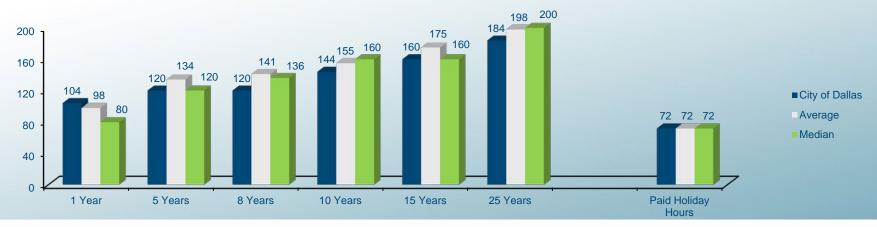
Vacation and Holidays

Dallas' vacation benefit is comparable to the <u>survey group</u>; holidays are slightly below





Dallas' vacation benefit is slightly below median compared to <u>private sector</u> companies; holidays are at median
 Vacation/Holiday Hours - Private Sector





Sick Leave

 Dallas' sick leave accrual policy is slightly below the practice of the <u>survey group</u> but maximum accruals are in line with median market practice

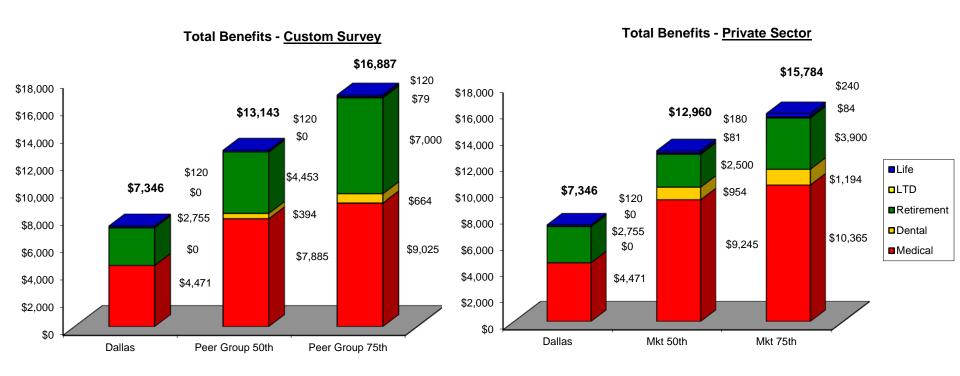
Sick Leave - <u>Custom Survey</u>					
Sick Leave	Dallas	Average	Median		
Number of hours accrued per year for sick leave	96	109	104		
Maximum sick leave balance (hours)	1,440	1,309	1,400		

 Dallas' sick leave accrual policy is above the median of the <u>private sector</u> with maximum accruals significantly above typical practice

Sick Leave - <u>Private Sector</u>					
Sick Leave	Dallas	Average	Median		
Number of hours accrued per year for sick leave	96	79	90		
Maximum sick leave balance (hours)	1,440	413	272		

Total Benefits - Civilian Jobs

 The value of major benefits offered by the City are below the median of the survey group and the private sector

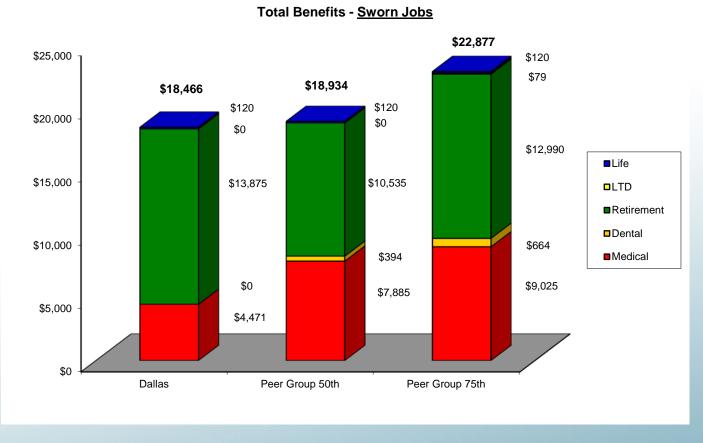


Note: A base salary of \$50,000 was assumed to calculate the above benefit values



Total Benefits – Uniformed Jobs

 The value of total benefits for uniformed jobs is competitive with the median of the custom survey group

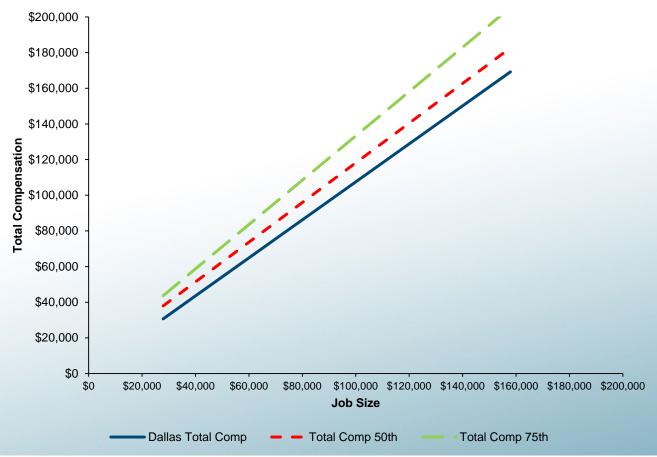


Note: A base salary of \$50,000 was assumed to calculate the above benefit values



Total Compensation – Civilian Jobs

Total compensation (cash plus the value of major benefits) for civilian jobs at the City of Dallas is below the market median (an average of 14%). Weaker than average total benefits pull the City's total compensation lower compared to market.





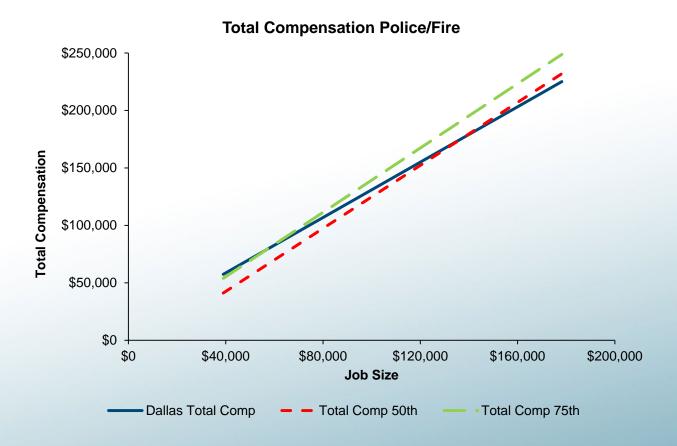
Total Compensation Summary - Civilian

Pay Element	Summary	Vs. Public Sector	Vs. Private Sector	
Base Pay	Weak	7% below blended market		
Medical/Vision	Weak	At 25 th percentile < 25 th percent		
Dental	Weak	At 25 th percentile	< 25 th percentile	
Life	Average	At the 50 th percentile At the 25 th perc		
LTD	Average	At the 50 th percentile < 25 th percent		
Retirement	Average	At the 25 th percentile	> 50 th percentile	
Time Off	Average	Average <50 th percenti		
Total Comp	Weak	Weak Weak		



Total Compensation – Uniformed Jobs

Total compensation for uniformed jobs is on average 11% above the median of the survey group





Total Compensation Summary - Uniformed

Pay Element	Summary	Vs. Public Sector
Base pay	Average	At the 50 th percentile
Medical/Vision	Weak	At 25 th percentile
Dental	Weak	At 25 th percentile
Life	Average	At the 50 th percentile
LTD	Average	At the 50 th percentile
Retirement	Strong	Above 75 th percentile
Time Off	Average	Average
Total Comp	Above average	Between median & 75th



Conclusions – Civilian Compensation

- Cash compensation for civilian jobs is not well aligned with market median
- Current pay range midpoints are not in line with market median levels
- Current benefits are in general below median market levels
- Current total compensation is below market median compared to both the public and private sectors



Observations

- Compensation for Police and Fire jobs is competitive generally
 - There are a very limited number of jobs which should be reviewed for potential adjustments in order to improve recruiting and retention
- Compensation for civilian jobs is generally weak compared to the market data in this study
 - The City may want to develop a three-year plan to address total compensation for specific civilian jobs that are difficult to hire and or difficult to retain
 - The lack of merit awards in recent years has weakened the base pay for civilian jobs;
 reinstating merit awards would be a mechanism to improve pay competitiveness over time
- The City's medical benefit is particularly weak. Solutions include:
 - Increasing the employer contribution to premiums
 - Increasing total compensation by adjusting base pay and/or using lump sum cash awards



RECOMMENDATIONS

Considerations for the City Manager's Recommended 12/13 Budget

For all employees:

- No healthcare premium increases
- Expanded Wellness Program
- Maintain current mix of leave, disability, life insurance, and pension benefits

For uniformed employees:

- Current Meet & Confer contract expires in October, 2013
- If Meet & Confer negotiations continue, discuss compensation options for the few jobs where Dallas' pay may need to be more competitive

Considerations for the City Manager's Recommended 12/13 Budget

For civilian employees:

- Over three-year period, adjust pay on positions where the City's pay is significantly below market
 - Prioritize based on costs and operational impact
- Over three-year period, adjust pay schedules to more closely align the midpoint of the ranges to the market
- ☐ Reinstate performance-based merit increases
- □ Additional options for consideration:
 - Reinstate Tuition Reimbursement program
 - Reinstate Language Skills pay for new participants
 - Increase the shift differential for deep-night shifts

APPENDIX

City rules and policies governing employment

- ☐ City Charter
 - Chapter II, Section 1., (35) & (36)
 - Make provisions for the care and sustenance of police, fire, and all officers and employees who:
 - □ Become disabled while in the service of City (e.g. disability pension)
 - □ Become incapacitated due to age or infirmity (e.g. retirement, healthcare, sick leave)
 - ☐ Become incapacitated due to longevity of service alone (e.g. retirement)
 - Provide aid and relief to widows, minor children, and dependents
 - Create funds for the above purposes

City rules and policies governing employment (cont'd)

- City Charter (cont'd)
 - ☐ Chapter XVI, Section 14. Adoption of Personnel System and establishment of rules and regulations, including
 - Description of employment positions
 - Methods of determining merit and fitness
 - Hours of work, attendance, provisions for sick leave and vacation leave
 - Equitable pay scales
- City Personnel Rules
 - Health and life benefits
 - □ Paid and unpaid leave

Civilian Employees

- In addition to base pay, some employees receive 'special pay' for skills or assignments
 - Interim Assignment Pay For employees serving in a higher level position for more than one month
 - □ 5% of base pay
 - <u>Language Skills Assignment Pay</u> For employees whose language skills support the departments' service delivery
 - \$110/mo for Intermediate skill level
 - □ \$150/mo for Advanced skill level
 - Shift Assignment Pay For employees with 50% of regular work hours between 6PM and 6AM
 - □ 2% of pay
 - Service Incentive Pay For employees hired before 10/1/2002
 - \$4 for each month of service completed to a maximum of \$1,200 per year

- Certification Pay applicable to all ranks
 - TCLEOSE Intermediate \$200/mo
 - TCLEOSE Master \$500/mo
- Service Pay applicable to all ranks
 - \$4/mo for each year of service completed
 - Maximum: \$100 per month for 25 years of service
- □ 5 Year Retention Incentive applicable to all ranks
 - \$5,000 Lump Sum
- 10 Year Retention Incentive applicable to all ranks
 - \$3,000 Lump Sum

DPD (cont)

- Educational Incentive Pay
 - Applicable to all ranks

Pay Rate						
Comparison						
	0-45 Hours	45-90 Hour	90-105 Hours	105 Hours or More	Max w/o Bachelors	Max w/ Bachelors
Current	\$0	\$4 per month for each 3 credit hours earned	\$0 per month for every 3 credit hours earned	\$ 0	\$60 per month	\$100 per month
Effective April 1, 2013	\$0	\$12 per month for each 3 credit hours earned	\$12 per month for every 3 credit hours earned	\$ 0	\$240 per month	\$300 per month

^{*}Education Incentive Pay is pensionable

DPD (cont)

- ☐ Temporary Assignment Pay (TAP)
 - For serving one rank higher:
 - Pay increases to the officer's current step at the higher level rank
 - For serving two or more ranks higher:
 - Base pay increases to the step in the higher level rank that provides a 10% increase
- Language Skill Assignment Pay
 - □ \$110/mo for Intermediate skill level
 - □ \$150/mo for Advanced skill level
- Down Payment Assistance Program
 - **\$6,000**

DPD (cont)

- Detective Assignment Pay for Police Senior Corporals
 - \$100/mo
- ☐ Field Training Officer Pay for Police Senior Corporals
 - \$100/mo
- Narcotics Hazardous Material Interdiction Team
 - \$100/mo
- Patrol Duty Pay for Police Officers & Corporals
 - 6 Years Service \$100/mo
 - 8 Years Service \$125/mo
 - 10 Years Service \$150/mo
- Shift Assignment Pay
 - 3.5% (50% of hours between 6PM and 6AM)
 - 6.5% First Watch (from 12:00 midnight to 8:00 am)

- Service Pay applicable to all ranks
 - \$4/mo for each year of service completed
 - Maximum: \$100 per month for 25 years of service
- Temporary Assignment Pay (TAP)
 - 5% for each rank served above officer's current rank maximum 15%
- Language Skill Assignment Pay
 - □ \$110/mo for Intermediate skill level
 - \$150/mo for Advanced skill level

DFR (cont)

- Educational Incentive Pay
 - □ Applicable to all ranks

Pay Rate Comparison						
	0-45 Hours	45-90 Hour	90-105 Hours	105 Hours or More	Max w/o Bachelors	Max w/ Bachelors
Current	\$0	\$4 per month for each 3 credit hours earned	\$0 per month for every 3 credit hours earned	\$0	\$60 per month	\$100 per month
Effective April 1, 2013	\$ 0	\$12 per month for each 3 credit hours earned	\$12 per month for every 3 credit hours earned	\$ 0	\$240 per month	\$300 per month

^{*}Education Incentive Pay is pensionable

DFR (cont)

- Wellness Incentive Pay
 - \$150/yr (Good), \$250/yr (Excellent), \$350/yr (Superior)
 - Currently being funded by the FEMA Assistance to Firefighters Grants
 - Pay will be eliminated in FY 12-13 when the grant expires
- Certification & Assignment Pay
 - Can only receive 2 certification and/or assignment pays at one time
- Firefighter/Fire Inspector Certification Employees who meet certification requirements
 - \$175/mo Intermediate
 - \$250/mo Advance
 - \$500/mo Master
- Aircraft Rescue (ARFF) Employees at designated stations
 - \$150/mo Lieutenant and below
 - \$350/mo Captain and above

DFR (cont)

- Arson Investigator Assigned Arson Investigators
 - \$175/mo
- EMS Assignment Pay

```
$200/mo - 0 to 4 years $300/mo - 8 to 11 years
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\$250/mo - 4 to 6 years \$350/mo - 11 to 14 years

\$275/mo - 6 to 8 years \$400/mo - 14 years Plus

- ☐ Fire Instructor Assigned Fire Instructors
 - \$175/mo
- Hazardous Material Response Team (HAZMAT) Employees at designated stations
 - \$150/mo Lieutenant and below
 - \$350/mo Captain and above

DFR (cont)

- Paramedic Certification For selected positions
 - \$75/mo
- □ <u>Urban Search and Rescue (USAR)</u> Employees at designated stations
 - \$150/mo Lieutenant and below
 - \$350/mo Captain and above

2006 Total Compensation Study – Details of 3-Year Compensation Changes

Over 3-Year period, implemented recommendations from the study as follows:

YEAR ONE - FY2006-2007				
Pol	ice	Fire	Civilians	
rank (increased start Added Certification Intermediate Master Increased Graduation \$1,000 to \$6,000 on Added Incentive Pa Probation - \$4,000 Added 5 year Retentime payment Added Tuition Rein	Police Officer, Step 1" ing pay for recruits) Pay as follows: \$100 per month \$400 per month In Incentive Pay from e-time payment y for Completion of one time payment tion pay - \$5,000 one Inbursement - % of tuition expenses - r	 Eliminated the "Fire Tr began hiring at the "Fire Step 1" rank (increased recruits) Added Certification Pa Intermediate Master Added additional assign AARF, USAR, Instruct Added Wellness Incent \$150 to \$350 per year) Added Tuition Reimburg to 70% of tuition ex \$1,500 per year Increased EMS Certification \$50/month Increased Paramedic Costo/month Increased HAZMAT Passide Increased Language Sk 	re/Rescue Officer, I starting pay for y as follows: \$100/month \$200/month nment pay for: tor, Arson ive Pay (varies from rsement - Reimburse penses – Max cation Pay ertification Pay ay \$50/month	 Adjusted Salary Schedules as follows: Grades A-E – No changes Grades F-K – Increased Max 3% Grades L-P – Increased Max 3% Grades Q & Up – Increased Max 3% Added Tuition Reimbursement - Reimburse up to 70% of tuition expenses – Max \$1,500 per year Increased Language Skills Pay

2006 Total Compensation Study – Details of 3-Year Compensation Changes

Study Recommendations (3-Year Implementation)

			YEAR TWO – FY2007-2008	
Police			Fire	Civilians
 Compressed Steps All pay steps became one year steps. Before the change, some were one year steps and others were two year steps. The 'years' indicates how long an employee stays in that step before being eligible to move to the next step. Implemented in order to increase pay for newer officers more quickly Added additional 5% step to pay schedule Increased Certification Pay as follows: 		were one year o year steps. I long an p before the next step. ncrease pay uickly pay schedule	 Compressed Steps Added additional 5% step to pay schedule 	 Adjusted Salary Schedules as follows: Grades A-E – Increased Max 2% Grades F-K – Increased Min 3% Grades L-P – Increased Min 3% Grades Q & Up – Increased Min 3%
	From	To		
Intermediate	\$100	\$200		
Master	\$400	\$500		
 Added 10 year Retention Pay - \$3,000 one-time payment Added Down Payment Assistance Program - \$6,000 one-time payment 		tance		

2006 Total Compensation Study – Details of 3-Year Compensation Changes

Study Recommendations (3-Year Implementation)

YEAR THREE – FY2008-2009					
Police	Fire			Civilians	
Added additional 5% step to pay scheduleAdded Detective Assignment Pay - \$100	 Added additional 5% step to pay schedule Increased Certification Pay as follows: 			 Adjusted Salary Schedules as follows: 	
per month		From	To	o Grades A-E – Increased	
 Eliminated Graduation Incentive Pay - 	Intermediate	\$100	\$175	Min 2% O Grades F-K – Increased	
\$6,000	Advanced	\$100	\$250		
• Eliminated Incentive Pay for Completion	Master	\$200	\$500	Max 3% O Grades L-P – Increased	
of Probation - \$4,000				Max 3%	
				o Grades Q & Up –	
				Increased Max 4%	

Details of Recent Staffing and Pay Changes

	Staffing	Pay
Police/Fire	Number of officers has increased since 2008	 October, 2010 - Begin Meet & Confer Pay reduction from: Five Mandatory City Leave days (aka "furloughs") Elimination of overtime in Police (officers received 'comp time' in lieu of overtime) Suspend Fire "Wellness Program" October, 2011 Partial pay restoration from elimination of two of the five Mandatory City Leave days April, 2012 Comp-time for overtime provision expires – Police officers can again begin earning overtime October, 2012 Final pay restoration from elimination of the three remaining Mandatory City Leave days 3% across-the-board pay increase April, 2013 Education Incentive Pay increases Merit Increases No Step increases for FY09/10; FY10/11; or FY11/12

Details of Recent Staffing and Pay Changes

	Staffing	Pay
Civilian Employees	 Three consecutive years of Reductions-in-Force Since 2008: Number of employees has decreased 19.3% 	 July & August, 2009 Pay reduction via two furlough days October, 2009 Pay reduction via five furlough days October, 2010 Pay reduction from: Five Mandatory City Leave days Additional pay reduction of 0%, 2%, or 3%, based on salary October, 2011 Partial pay restoration from the elimination of four Mandatory City Leave days May, 2012 Partial pay restoration via restoration of 2% & 3% cuts October, 2012 Final pay restoration via elimination of remaining four Mandatory City Leave days Merit Increases No merit increases for FY09/10; FY10/11; or FY11/12

MAJOR CHANGES TO THE POLICE AND FIRE PENSION PLAN FOR OFFICERS HIRED AFTER MARCH 1, 2011

Police & Fire Pension Plan Changes

Provision	Old Plan	New Plan
DROP Interest	0.25% limit on increases or decreases	Removes the 0.25% limit on increase or
DIOI IIICICSI	in DROP interest rate.	decrease in DROP interest rate.
	DROP Participants no longer make	DROP Participants will be required to
	pension contributions to the Pension Plan when they enter into DROP.	make contributions to the Pension Plan while in Active DROP.
	Plan when they enter into DROP.	Write IT Active DROP.
		All DROP Participants who are active with
		the City on 10/1/2011 will be required to
		contribute 3%.
DROP Contributions		
		All DROP Participants who are active with
		the City on 10/1/2012 will be required to contribute 6%.
		CONTIDUTE 6%.
		All DROP Participants who are active with
		the City on 10/1/2013 will be required to
		contribute 8.5%
	Member's election to enter DROP is	DROP participants in active service will be
DROP Revocation	irrevocable before the Member leaves	allowed one opportunity to "undo" his or her
	active service.	election to enter DROP.
		Must be made by 9/30/2011.
	3% (multiplier) x Years of Pension	Creates 3 tiered calculation for members
	Service x Average Computation Pay	hired after 2/28/2011.
	, , , , , , , , , , , , , , , , , , , ,	
	Averaged over the Member's highest	2% (multiplier) x Years of Pension - 1st 20 Years of Service
Benefits Calculation	36 mos. Of Computation Pay.	
Formula		2.5% (multiplier) x Years of Pension for Years 20 thru 25 Years of
		Service
		3% (multiplier) x Years of Pension for more than 25 Years of Service
		o / (manaphor) x reals or remolernor mere than 20 reals or cornec
		Averaged over the Members highest average 60 months of
		computation pay
	Eligibility for retirement at age 50 with	Eligibility for retirement at age 55 with
	5 years of pension service credit.	20 years of service.
	Eligibility for reduced pension benefit	There is no early retirement provisions.
	at age 45 with at least 5 years of	There is no sarry reasonable provisions.
Retirement Eligibility	pension service at any age with	Members who leave prior to age 55 with 20
Retirement Eligibility	at least 20 years of pension service.	or more years of service would be able to
		defer retirement until age 55.
	Members who leave active service	Marshard the land of the Control of
	with 5 or more years of pension service Service before age 50 may elect to	Members who leave prior to age 55 with less 20 years of service will be eligible
	defer retirement until 50.	for a refund of contributions.
Other Minor Changes		
Provision	Old	New
Disability Eligibility	Currently allows members to receive	Creates 2 step criteria. Approves disabi-
Criteria	a disability benefits with Board approval.	lity for 2 years. After the 2 year period the
		member would only continue to receive benefits if Board determines the Member
		is unable to perform any "gainful employ-
		ment".
Survivor Benefits	Surviving spouse in entitled to receive	Keeps 50% provision. Benefit received
	50% of benefit that is receive by the de-	for Members who die in the line of duty
	ceased Pension and the time of death.	will be based on their years of service.
	Same applies for members who die	
	in the line of duty.	