



# FY2021 Budget Update



# Purpose – Follow-up items from Budget Workshop on July 21

- Review July 21 Recommendations
- Employee Compensation Approach Overview
  - Public Safety Employee Market & Step Compensation
  - Non-Public Safety Market & Merit Compensation
- Revenue Update
- Recommended Compensation and other Budgetary adjustments aligned with Council feedback
- Opportunity for additional feedback prior to August 11 City Manager's Proposed Budget

# Financial Circumstances for FY21 Budget

- Lower revenue for FY21
  - Flat sales tax
  - Lower development, court and recreation revenue
  - Property tax within 3.5% cap
- Increased costs pressures
  - Fire Station 6&7
  - SAFER Grant reduction (75% to 35%)
- Strategy:
  - Flat expenditure plan
  - Reduced compensation plan
  - Base budget cuts

# Targeted Base Budget Cuts

- \$726,000 in General Fund
- \$220,000 in Joint Services
- Cuts include:
  - Frozen Positions (6 in the GF)
  - Travel/Training
  - Equipment/Supplies
  - Maintenance Items

# Reminder from July 21: Continue Market & Step Pay Adjustments

- Market adjustments implemented for police and fire sworn, along with step increases
  - Police Market - \$99,000
    - 88 employees; 60% implementation; .3% to 1.5% average increase
  - Fire Market - \$264,000
    - 138 employees; 60% implementation; 1.7% to 2.5% average increase
  - Police Steps - \$118,000
    - 88 employees; 2-4% average annual step
  - Fire Steps - \$176,000
    - 138 employees; 2-4% average annual step
- Non-Public Safety - \$246,000 across all funds
  - 44% of employees; 30% of job titles; average of 2% increase

# Compensation – July 21 Examples

<u>Employee</u>	<u>Count</u>	<u>Market</u>	<u>Step/Merit</u>	<u>Total</u>
Firefighter*	138	@60%=2.5%	2-4%	4.5-6.5%
Police Officer*	88	@60%=1.5%	2-4%	3.5-5.5%
Non-Public Safety	265	Yes = 2%	0%	2%
Non-Public Safety	280	No = 0%	0%	0%

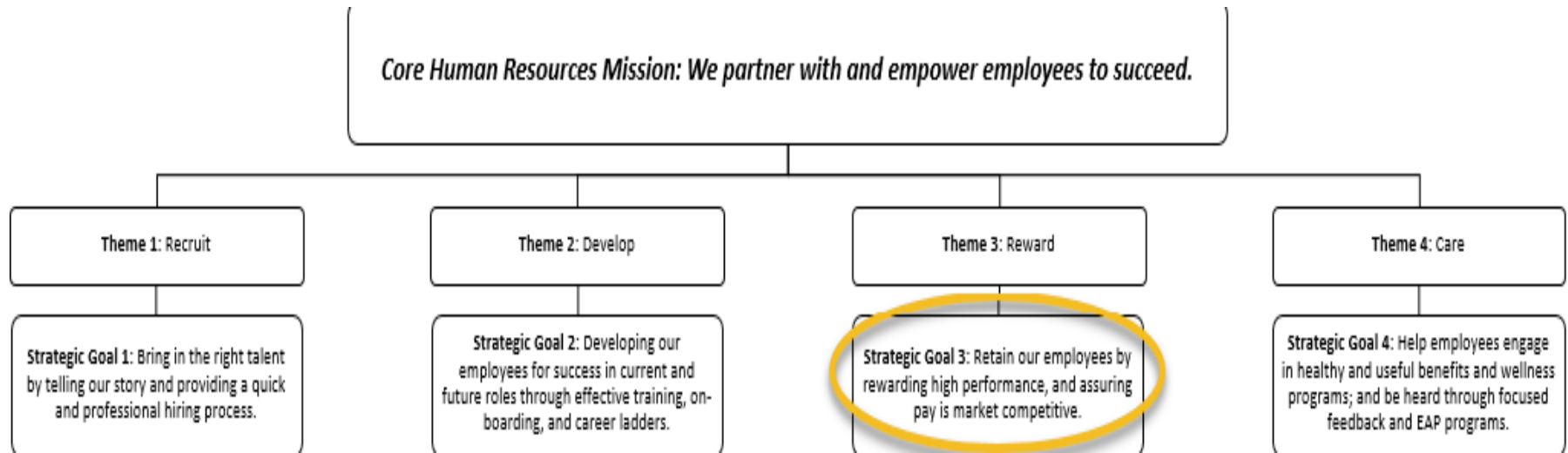
*Total Cost: \$903,000*

*\*not all public safety ranks have same market or step as FF & PO, these are illustrative examples*

# Fiscal & Budgetary Policy

- City Council and Management recognize the importance of attracting, hiring, developing, and retaining the best people, and compensating them for the value they create. Our outstanding and innovative City employees work diligently to bring the Vision of Council to life and deliver exceptional services to our customers while exemplifying our Core Values. The following programs are subject to available funding in the annual operating budget.
- **Competitive Compensation** – In order to maintain a competitive pay scale, the City has implemented a ***Competitive Employee Compensation Maintenance Program*** to address competitive market factors and other issues impacting compensation. The program consists of:
  - **Annual Pay Plan Review (Market)**– To ensure the City's pay system is accurate and competitive within the market, the City will review its pay plans annually for any potential market adjustments necessary to maintain the City's competitive pay plans.
  - **Pay for Performance (Merit)**– Each year the City will fund performance based pay adjustments for regular non-public safety personnel. This merit-based program aids in retaining quality employees by rewarding their performance. Pay for Performance adjustments are based on the employee's most recently completed performance evaluation.
  - **Public Safety Steps (Steps)**– Each year the City will fund anniversary step increases for public safety sworn personnel consistent with public safety pay scale design.

# Core Human Resources Mission and Goals

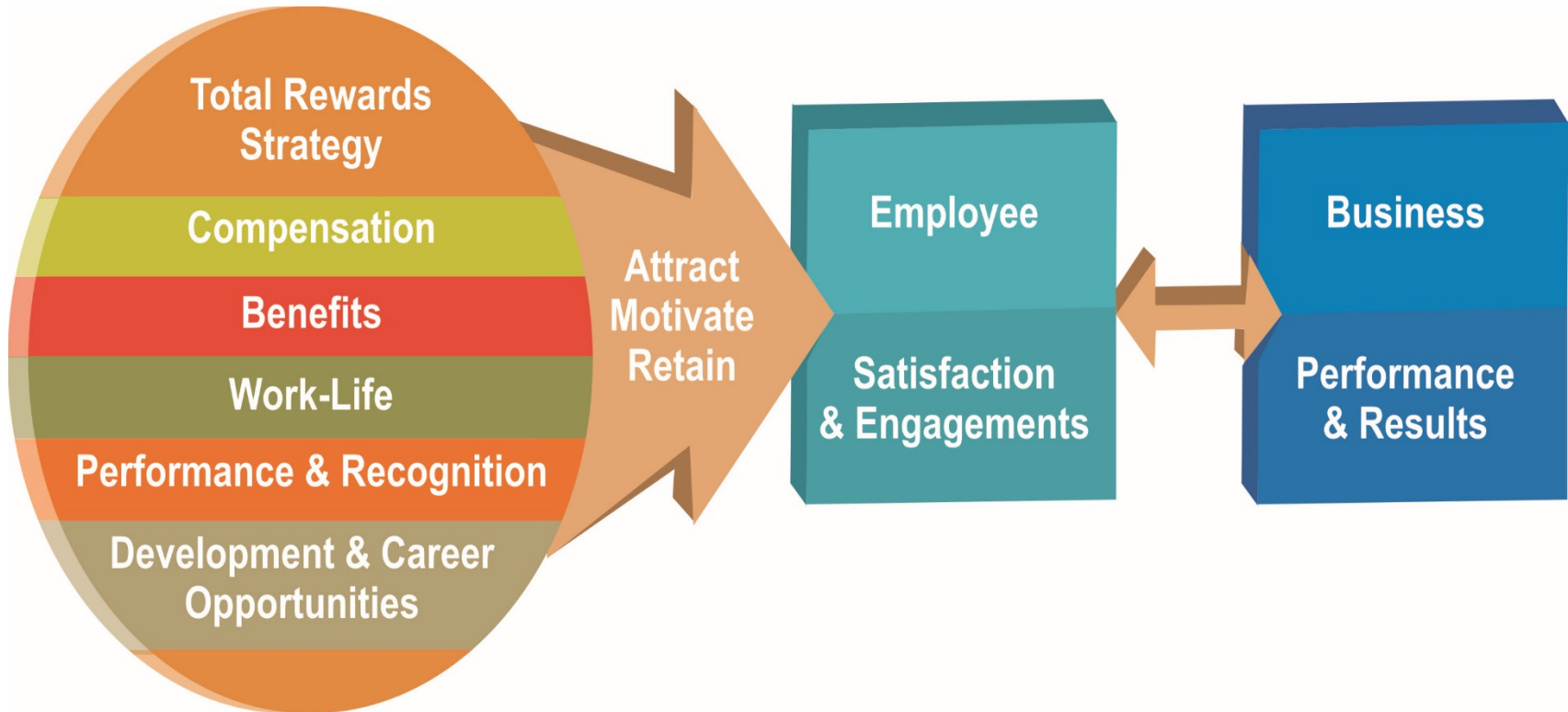


Market reviews focus on Strategic goal 3:

Retain our Employees by rewarding high performance, and assuring pay is market competitive



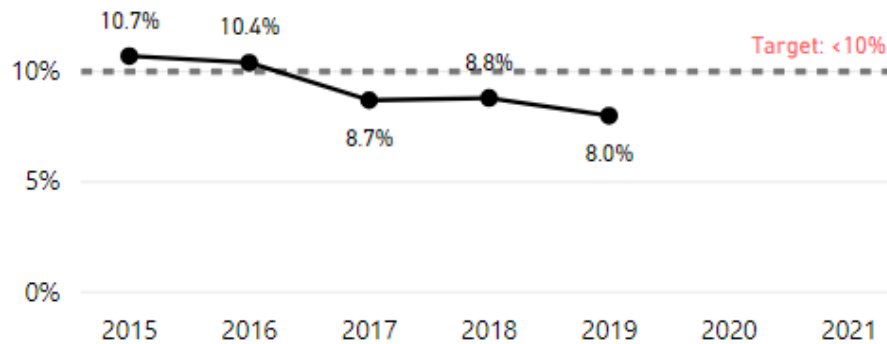
# Total Rewards



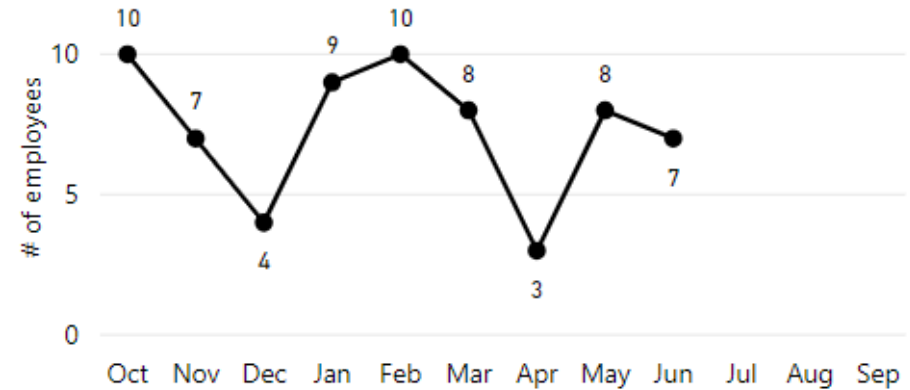
*From World at Work*

# Employee Turnover

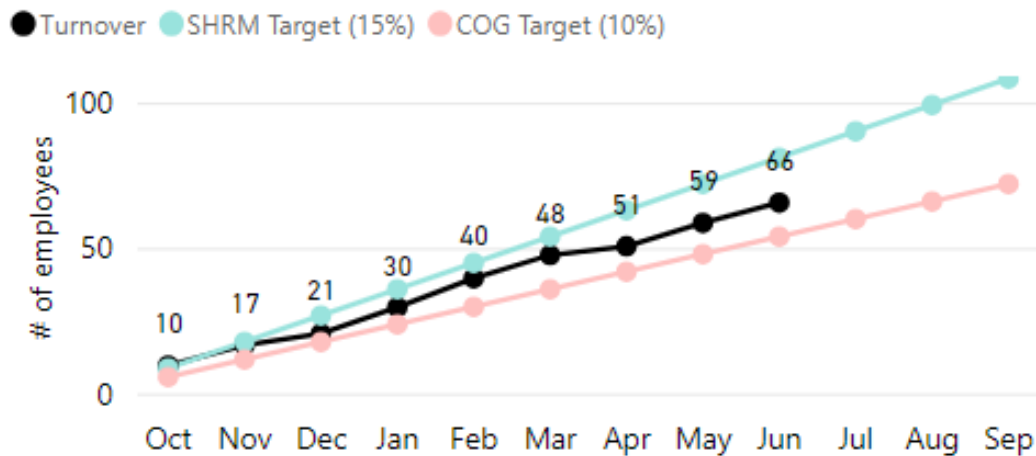
## Turnover (Annual)



## Turnover (Monthly) - FY20



## Turnover (Cumulative) - FY20



# Current Police & Fire Pay Scales

## Fire Pay Scale

10/14/2019

Classification	A	B	C	D	E	F	G	H	I	J	K	L	M	N
Firefighter	\$50,803	\$52,835	\$54,948	\$56,596	\$58,294	\$60,043	\$61,844	\$63,699	\$65,610	\$67,578	\$69,605	\$70,997	\$72,417	\$73,865
Fire Driver	\$67,041	\$68,717	\$70,435	\$72,196	\$74,001	\$75,851	\$77,747	\$79,691	\$81,683	\$83,725	\$85,818	\$87,963		
Fire Lieutenant	\$74,505	\$75,995	\$77,515	\$79,065	\$80,646	\$82,259	\$83,904	\$85,582	\$87,294	\$89,040	\$90,821	\$92,637		
Fire Captain	\$87,937	\$89,696	\$91,490	\$93,320	\$95,186	\$97,090	\$99,032	\$101,013	\$103,033	\$105,094	\$107,196			
Division Chief	\$108,108	\$110,286	\$112,464	\$114,739	\$117,013	\$119,351	\$121,754	\$124,188						

## Fire and Life Safety

Classification	A	B	C	D	E	F	G	H	I	J	K	L
Paramedic II	\$67,041	\$68,717	\$70,435	\$72,196	\$74,001	\$75,851	\$77,747	\$79,691	\$81,683	\$83,725	\$85,818	\$87,963
Fire and Life Safety Specialist	\$74,505	\$75,995	\$77,515	\$79,065	\$80,646	\$82,259	\$83,904	\$85,582	\$87,294	\$89,040	\$90,821	\$92,637
Deputy Fire Marshal	\$87,937	\$89,696	\$91,490	\$93,320	\$95,186	\$97,090	\$99,032	\$101,013	\$103,033	\$105,094	\$107,196	
Fire Marshal	\$98,268	\$100,233	\$102,238	\$104,283	\$106,369	\$108,496	\$110,666	\$112,879	\$115,137			

## Police Pay Scale

10/14/2019

Classification	A	B	C	D	E	F	G	H	I	J	K	L	M	N
Police Officer	\$55,550	\$57,772	\$60,083	\$61,885	\$63,742	\$65,654	\$67,624	\$69,653	\$71,742	\$73,894	\$76,111	\$78,395	\$79,963	\$81,562
Police Sergeant	\$77,355	\$79,289	\$81,271	\$83,303	\$85,385	\$87,520	\$89,708	\$91,951	\$94,250	\$96,606				
Police Lieutenant	\$87,583	\$89,335	\$91,121	\$92,944	\$94,803	\$96,699	\$98,633	\$100,605	\$102,617	\$104,670				
Police Captain	\$100,841	\$102,858	\$104,915	\$107,013	\$109,154	\$111,337	\$113,563	\$115,835	\$118,151	\$120,514				
Assistant Chief	\$116,005	\$119,486	\$123,070	\$126,763	\$130,566	\$134,482								

# Current Police & Fire Market Data

## Police Officer

Organization	Min	Midpoint	Max
Georgetown	\$55,550	\$68,556	\$81,562
Austin	\$60,453	\$79,300	\$98,147
San Marcos	\$57,163	\$68,337	\$79,511
Williamson County	\$54,387	\$64,524	\$74,661
Sugar Land	\$60,341	\$70,897	\$81,453
Leander	\$57,096	\$68,838	\$80,579
Cedar Park	\$57,960	\$71,505	\$85,049
New Braunfels	\$54,075	\$63,374	\$72,673
Pflugerville	\$51,022	\$65,260	\$79,498
Round Rock	\$59,946	\$72,343	\$84,739
Survey Pool Average	\$56,938	\$69,375	\$81,812
Base Pay Diff	-2.5%	-1.2%	-0.3%

### Summary of Police Market Movement

	100%Mkt	80%Mkt	60%Mkt
Police Officer	2.5%	2.0%	1.5%
Sergeant	0.5%	0.4%	0.3%
Lieutenant	2.1%	1.7%	1.3%
Captain	1.8%	1.5%	1.1%

## Fire Fighter

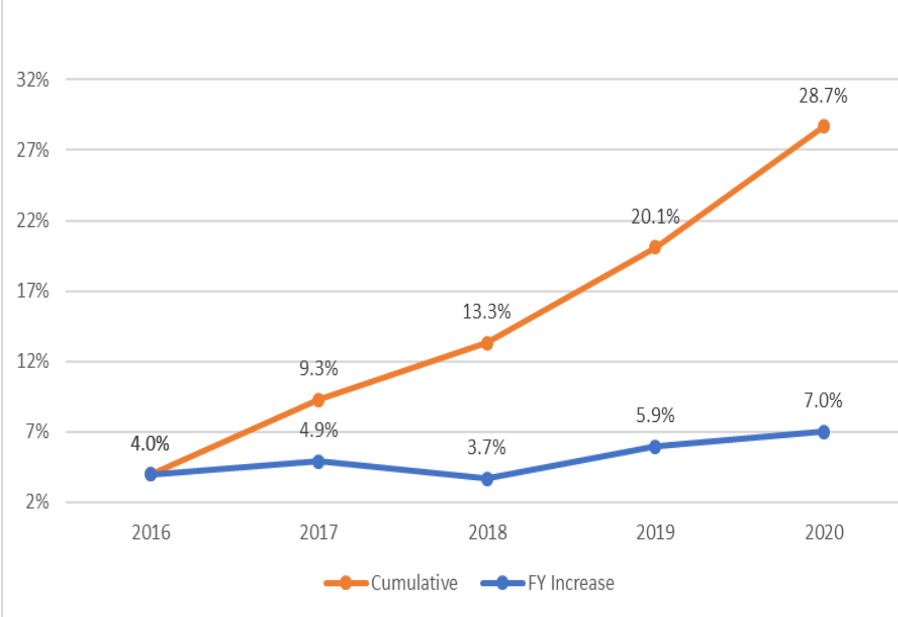
Organization	Min	Paramedic	Total
Georgetown	\$50,803	\$5,400	\$56,203
Austin	\$52,854		\$52,854
TCESD2 (Pflugerville)	\$51,193	\$9,000	\$60,193
Cedar Park	\$53,000		\$53,000
New Braunfels	\$51,884	\$3,000	\$54,884
Round Rock	\$54,377	\$6,000	\$60,377
Lewisville	\$65,014	\$1,800	\$66,814
Sugar Land	\$54,134	\$6,000	\$60,134
Survey Pool Average	\$54,637	\$5,160	\$58,322
Base Pay Diff	-7.5%	4.4%	-3.8%
Base Pay \$ to Market	\$52,922	\$5,400	\$58,322
Base Pay % to Market	4.2%		

### Summary of Fire Market Movement

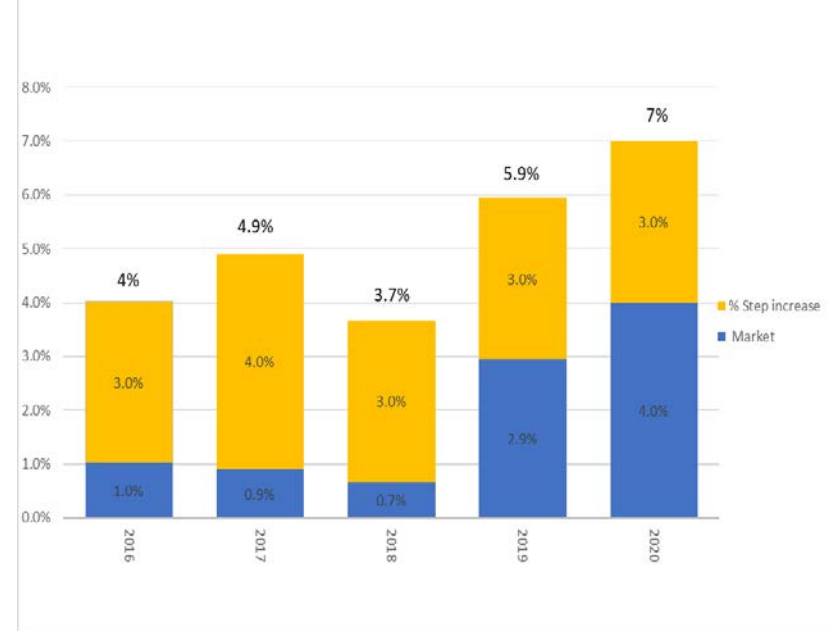
	100%Mkt	80%Mkt	60%Mkt
Fire Fighter	4.2%	3.4%	2.5%
Driver	4.1%	3.3%	2.5%
Lieutenant	2.9%	2.3%	1.7%
Captain	3.0%	2.4%	1.8%
Battalion Chief	2.9%	2.3%	1.7%

# Police Officer Increase History & Market Impact

Cumulative Police Officer Increases FY 2016-2020



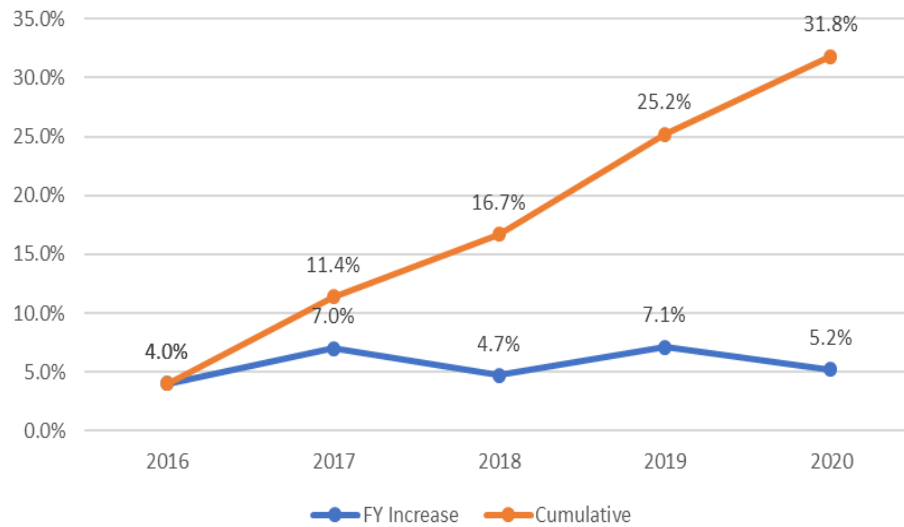
INCREASE FOR POLICE OFFICER HIRED IN FY 2016



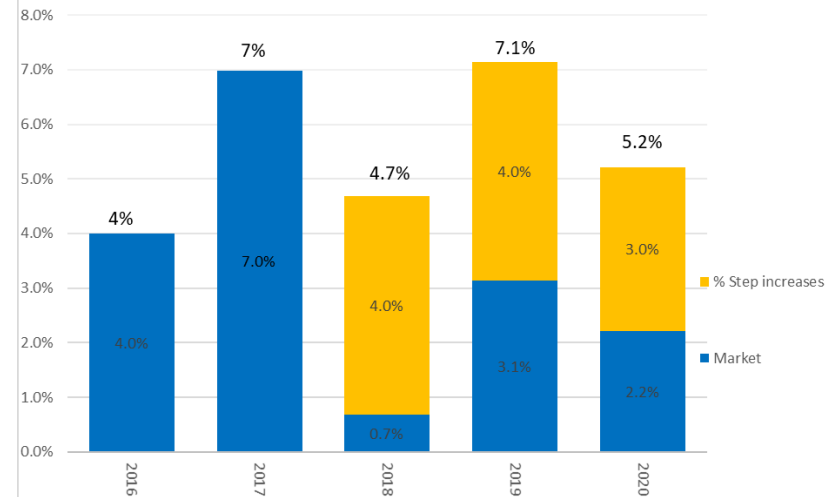
All market increases for Police & Fire from FY2016 through FY2020 were recommended and funded at 100%

# Fire Fighter Increase History & Market Impact

Cumulative Firefighter Increases FY 2016-2020



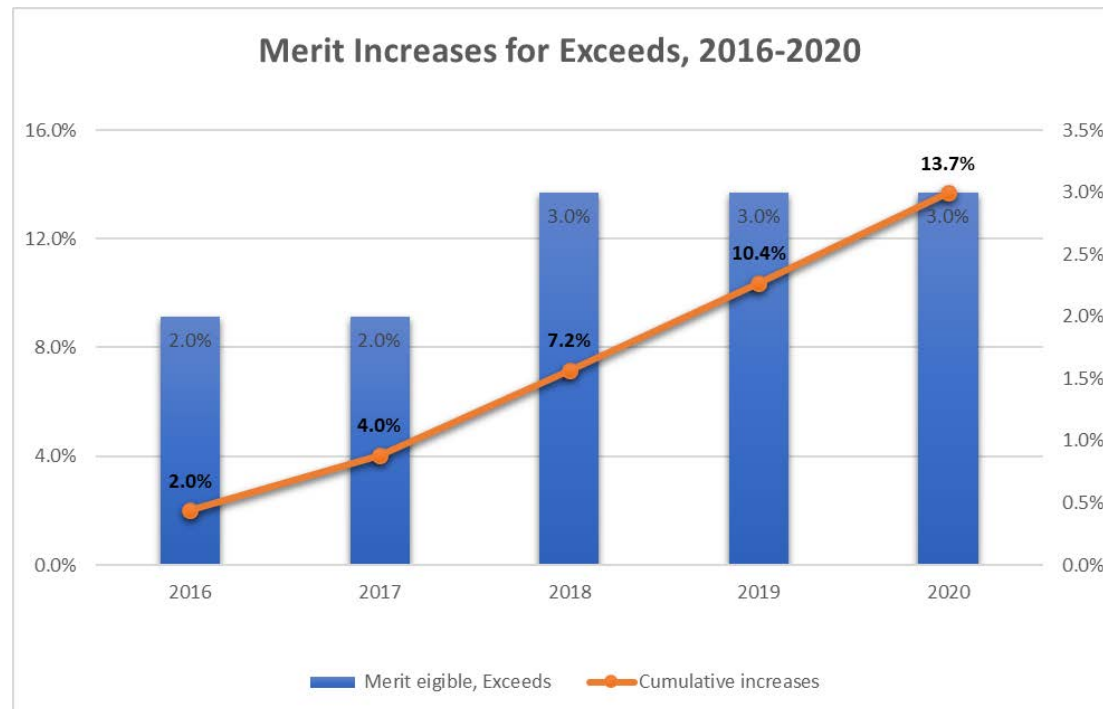
INCREASE FOR FIREFIGHTER HIRED IN FY 2016



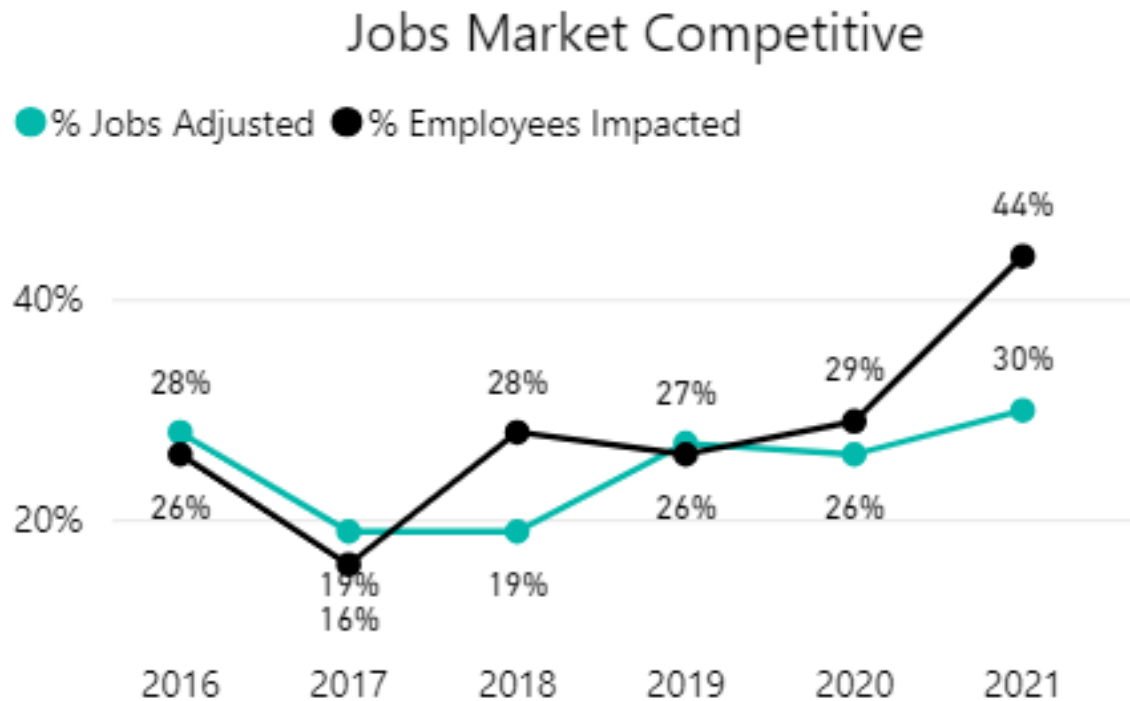
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# Non-Public Safety Merit History

Rating	Feb-16	Feb-17	Jan-18	Jan-19	Jan-20
<b>Below Expectations</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Meets Expectations</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
<b>Exceed Expectations</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
<b>Excellent</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>



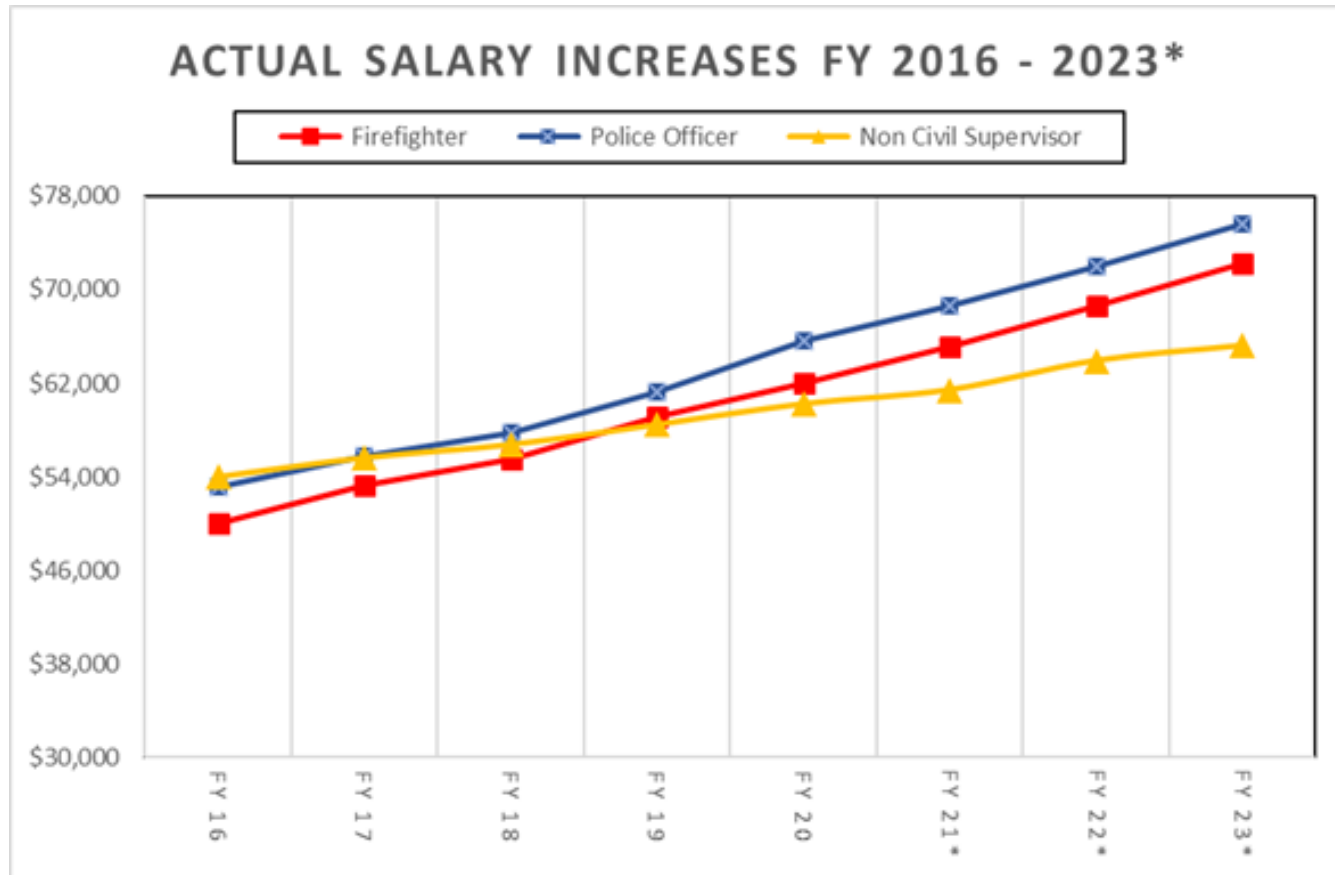
# Non-Public Safety Market History



40 % of the 280 non-public safety job titles are benchmarked annually against comparator organizations previously approved by Council.



# Side by Side History & Projection



**Notes:**

- *Firefighter includes paramedic credential pay*
- *Projections based on historical market increases*
- *Non Civil Supervisor with one prior market adjustment, one in future, and exceeds expectations merit increases for all years*

# Revised FY21 Budget Plan

- Include two police officer patrol positions
- Increase compensation
  - Fire/Police civil service positions
  - Non-civil service positions
- Funding Strategy:
  - Improved Tax Roll: \$374,000 in additional revenue
  - Use Economic Stability Reserve/Council Contingency for one-time uses
  - Find additional cuts

# Recommended Budgetary Adjustments

- Use of One-Time Funding (Available Balances)
  - Economic Stability Reserve (ESR) - \$1,759,446
  - Council Special Revenue Fund (CSRF) - \$110,983
  - \$1,870,429
  
- Less Once Time Uses **(\$458,400)**
  - New police staff equip – new (\$192K)
  - Small neighborhood plans – (\$100K)
  
  - Previously funded in GF – 7/21 version (\$166,400)
    - Fire Station Equipment (\$78.4K)
    - Redistricting (\$50K)
    - Mobility Bond (\$38K)
  
- Ending Balance – ESR/CSRF **\$1.4M**

# Recommended Budgetary Adjustments

- General Fund (7/21 book) \$140,510
  - Increase Property Tax Revenue \$374,000
  - Add back - \$166,400
    - Projects previously funded in General fund move to Council SRF/ESR (Equipment, Redistricting, Mobility Bond)
  - Freeze vacant library position \$75,000
  - Increase Costs:
    - Police – 80% (\$33,000)
    - Fire – 80% (\$88,000)
    - Two Police officers (on-going costs) (\$162,000)
    - 2% Merit Increase for non-civil service (\$199,000)
      - (\$317,000) in other Funds
- **Remaining balance \$273,910**

# Compensation – July 28 Update

Employee	Count	Market	Step/Merit	Total
Firefighter*	138	@80%=3.4%	2-4%	5.4-7.4%
Police Officer*	88	@80%=2.0%	2-4%	4-6%
Non-Public Safety	265	Yes = 2%	2%**	4%
Non-Public Safety	280	No = 0%	2%**	2%

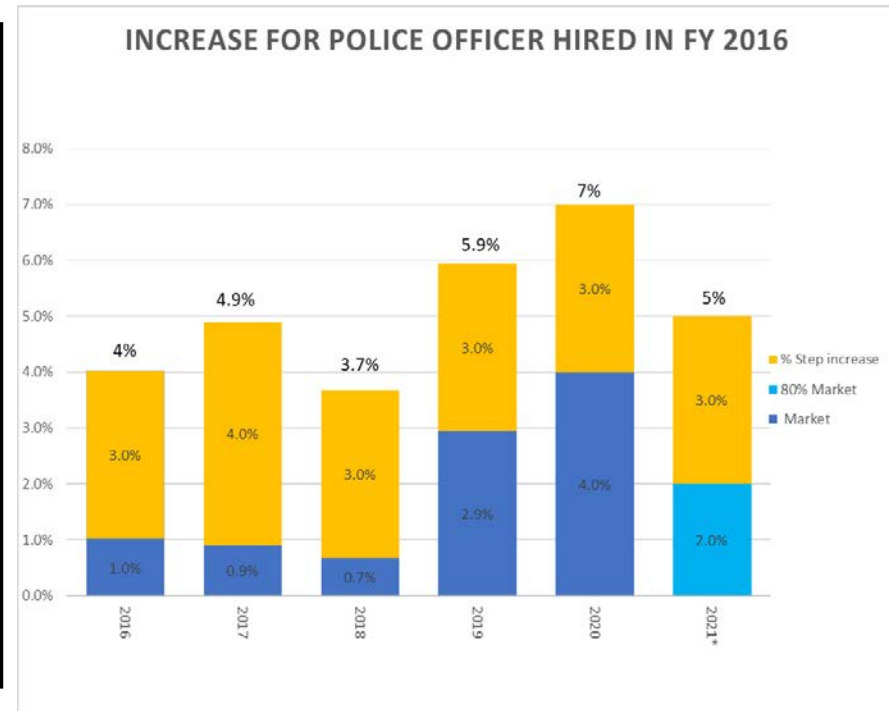
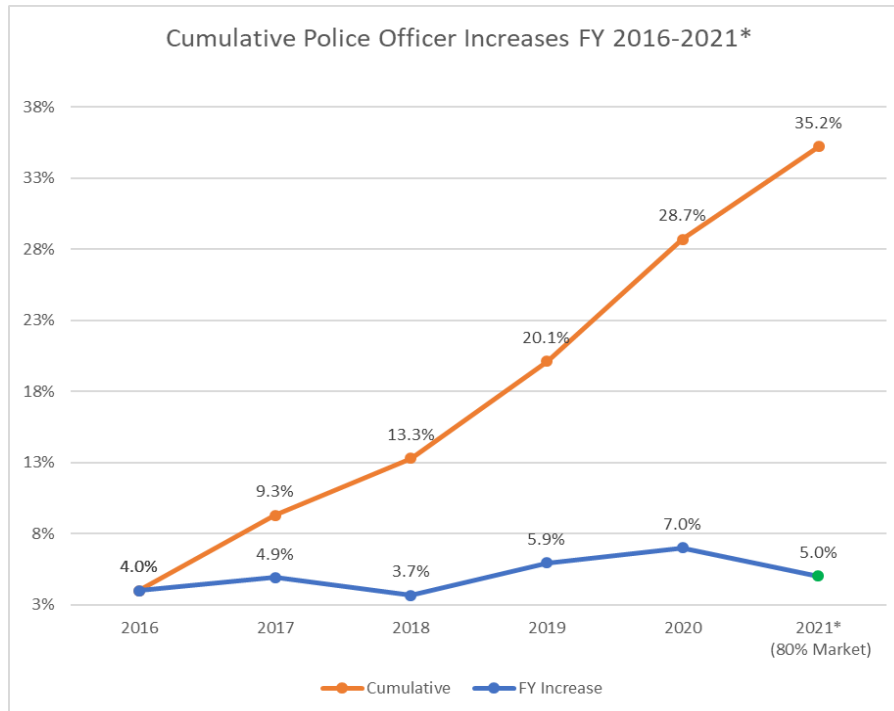
## Total Cost

- **Police/Fire Civil Service: \$778,000**
- **Non-Civil Service: \$762,000**

*\*not all public safety ranks have same market or step as FF & PO, these are illustrative examples*

*\*\*average distribution*

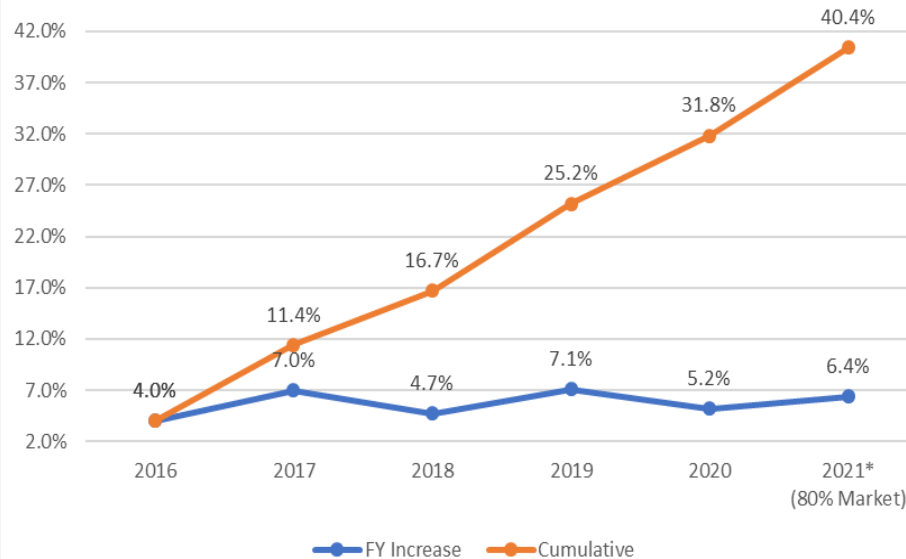
# Police Officer Increase History & Market Impact



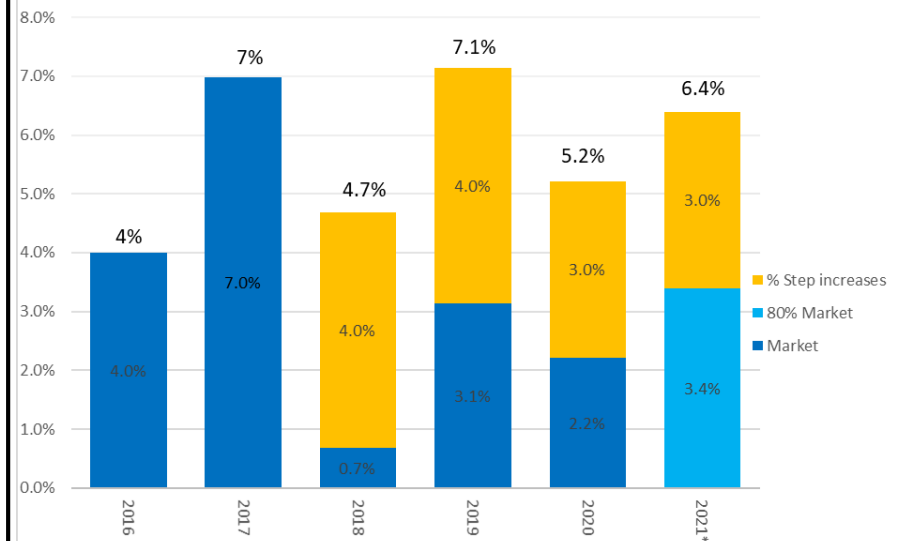
All market increases for Police & Fire from FY2016 through FY2020 were recommended and funded at 100%

# Fire Fighter Increase History & Market Impact

Cumulative Firefighter Increases FY 2016-2021\*



INCREASE FOR FIREFIGHTER HIRED IN FY 2016



All market increases for Police & Fire from FY2016 through FY2020 were recommended and funded at 100%

# FY2021 Proposed Budget Calendar

- August 11 – City Manager’s proposed budget
- Aug 11: Regular Meeting; set max tax rate, & set dates for Public Hearings
- Sep 9: Regular Meeting: public hearings, 1st reading of the budget, 1st reading of the tax rate
- Sep. 22: Regular Meeting: 2nd reading of the budget, 2nd reading of the tax rate



# Public Outreach

- Current
  - Draft workbook and presentation posted at [finance.georgetown.org](http://finance.georgetown.org)
- Future - proposed Budget (8/11) posted
  - City website and eBook at Library; Facebook
  - Press release on proposed budget
- Public Hearings on Budget and Tax Rate 9/9
- Adopted Budget in Brief published on website
- Adopted Budget (full book) published on website/library
- Budget Video on Adopted Budget on website/social media

# Questions?

