

# Workforce Pay Strategies and Entry Wage Analysis

Human Resources Department

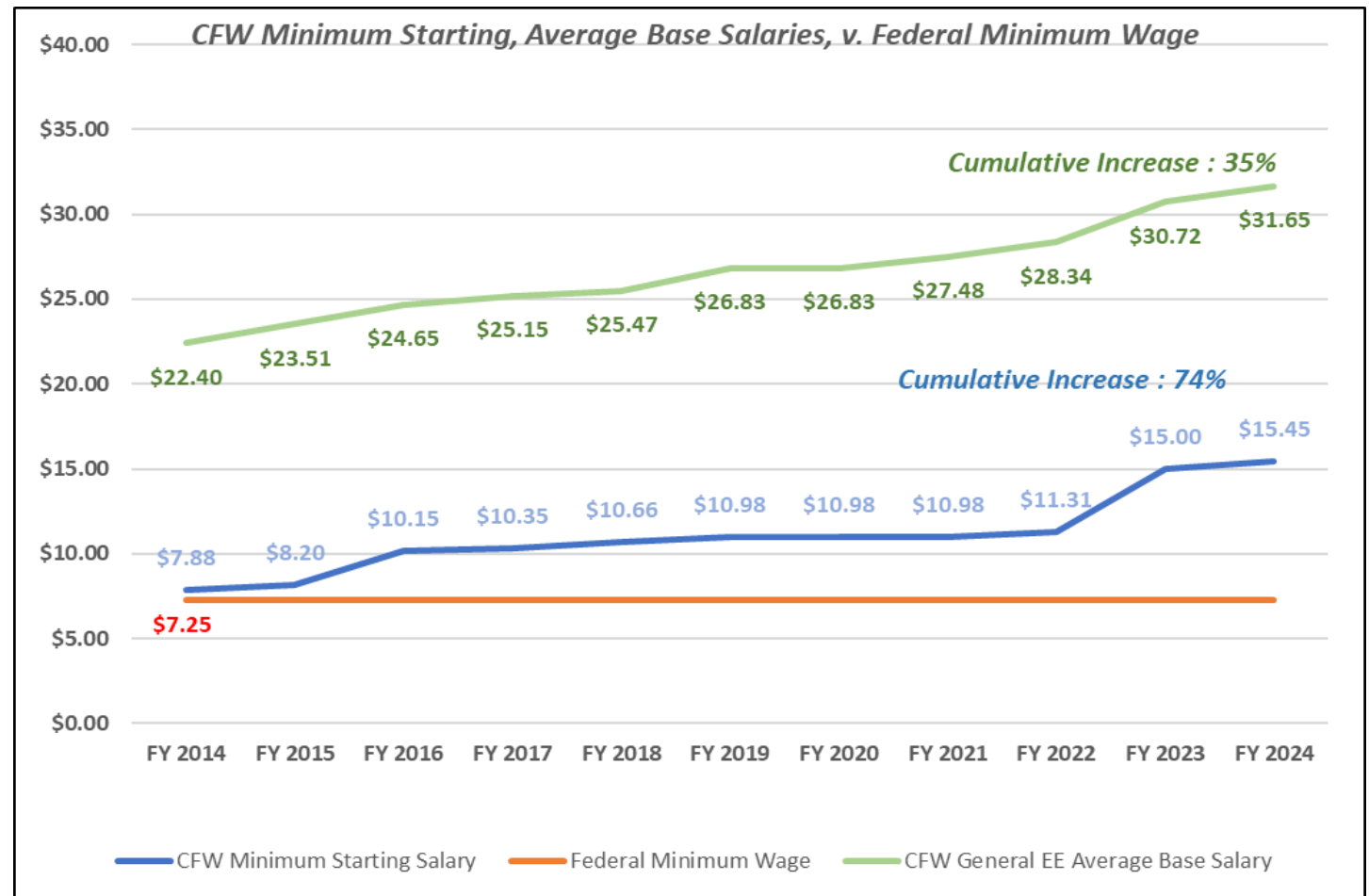
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# Entry Wage Analysis - Review

- The Federal minimum wage has remained at \$7.25 per hour since 2014
- The CFW minimum wage rate (entry wage) cumulative increase of 74% since 2014
- The CFW general employee average base salary cumulative increase of 35% since 2014



# Market Competitive Pay Strategies

- Utilize market survey data to make data driven decisions around compensation and pay structure
- 2015 Citywide Pay Study and Biennial Benchmark Surveys
  - Utilize Public and Private Pay Data
- Evaluate Salary Structure Adjustments annually
- Conduct Salary Surveys for Hard-to-Fill Jobs as necessary

# Past Market & Pay Strategies

- 2022
  - Minimum Pay Rate increased to \$15.00/hour
  - 4% Salary Structure Adjustment
  - Pay for Performance (P4P) and Market Adjustments in Nov./Dec. 2022 (up to 7%)
  - 2% and 3% Market Adjustments in addition to P4P
- 2023
  - Minimum Pay Rate increased to \$15.45/hour
  - 3% Salary Structure Adjustment
  - P4P in Nov./Dec. 2023 (up to 7 percent)
  - Market study for market competitiveness (included public and private pay data comparisons)
  - 2.5% Market Adjustment for Hard-to-Fill job titles (based on higher time-to-fill or turnover)
  - Citywide Sign-On Incentive Program and Employee Referral Program

# Past Market and Pay Strategy Results

Findings: **84%** of employees that received pay adjustments in 2022 & 2023 are still actively employed in the City.

## Hard-to-Fill Market Adjustments

CY	Turnover %	% Difference	Total Separations	Total Difference
2022	32.6%	-	481	-
2023	13.3%	19.3%	319	162
YTD 2024*	6.0%	7.3%	89	230

\*Turnover and Difference as of April 30, 2024

- Number of jobs affected: **35**
- Number of employees affected: **1,425**

# Results of Pay for Performance Strategy

## Pay for Performance (P4P) FY2025

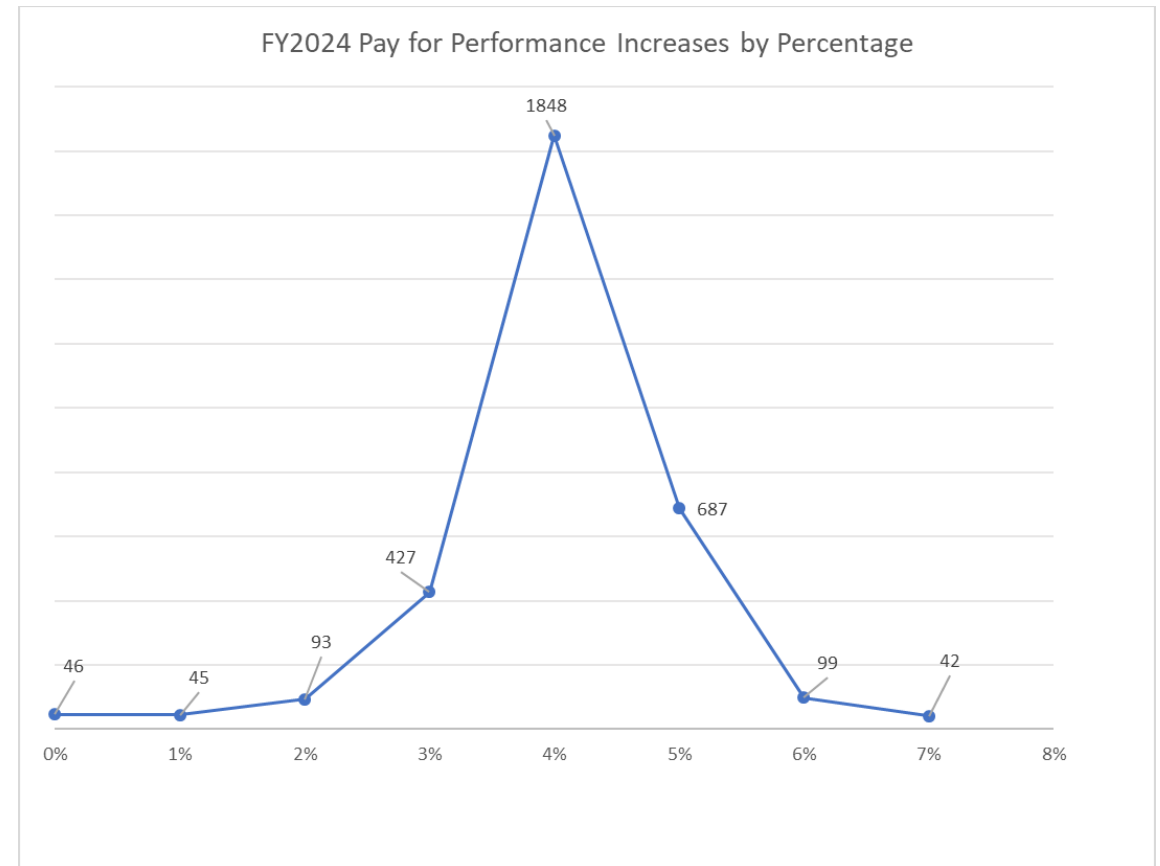
- Proposed 0-7% Base Pay Increase as applicable

## P4P Summary FY2024

- 0-7% Range; Average 4.02%
- 99.4% of Employees that received more than 4% are still actively employed

## P4P Summary FY2023

- 0-7% Range; Average 3.98%
- 88.5% of Employees that received more than 4% are still actively employed



# Citywide Turnover CY 2019 – 2024 (YTD)

Year	Fire				Police				General				All			
	Invol. %	Retire. %	Vol. %	Total	Invol. %	Retire. %	Vol. %	Total	Invol. %	Retire. %	Vol. %	Total	Invol. %	Retire. %	Vol. %	Total
2024*	0.0	1.5	0.1	1.63%	0.2	1.7	0.7	2.59%	1.3	1.1	3.4	5.79%	0.9	1.3	2.4	4.53%
2023	0.0	1.6	0.7	2.32%	2.2	3.0	3.0	8.18%	3.0	2.7	14.2	19.88%	2.4	2.6	9.4	14.40%
2022	0.0	2.0	0.9	2.91%	1.3	3.1	3.0	7.44%	4.6	3.0	16.3	24.25%	3.0	2.9	10.6	16.56%
2021	0.0	2.4	0.9	3.33%	0.4	3.1	2.2	5.77%	3.9	2.6	16.0	22.78%	2.5	2.7	10.4	15.57%
2020	0.1	2.9	1.1	4.04%	0.5	2.8	1.4	4.74%	2.2	3.4	9.7	15.37%	1.5	3.2	6.5	11.14%
2019	0.1	2.2	0.4	2.71%	0.5	1.5	1.2	3.14%	2.8	2.5	12.6	17.94%	1.9	2.2	8.1	12.20%
Average	0.0	2.1	0.7	2.82%	0.9	2.5	1.9	5.31%	3.0	2.6	12.0	17.67%	2.0	2.5	7.9	12.40%

\*CY2024 data is as of April 30, 2024

- In CY 2023, Turnover Rate ***started to decrease*** for General & Sworn Fire employees
- Turnover for Sworn Police employees is ***continuing to increase*** across all three types of separations
- In CY 2023, the **General employee group** had the ***biggest decrease*** in Voluntary Resignations

# Total Compensation

Plan Name*	Eligibility	Employee Rates	Employer Rates	Total Rate
Fort Worth Employees' Retirement Fund**	General and Sworn Fire Employees with the City	10.95%	26.64%	37.59%
Dallas Employees' Retirement Fund	General Employees with the City	13.32%	14.46%	27.78%
<b>State-wide Retirement Systems</b>				
Employees Retirement System of Texas	Employees of the State of Texas Agencies	9.50%	16.83%	26.33%
Texas Municipal Retirement System	Most small to large cities (100k + population)	6.71%	14.50%	21.21%
Texas County & District Retirement System	Governmental entity of the State of Texas not in other statewide public pension plan	6.78%	12.31%	19.09%

\*Note: Rates As of FY 2022

\*\* City of Fort Worth Rates as of 2023

Hourly Rate	Annualized	Medicare 1.45%	Pension 26.64%	Health Insurance Contribution	Total Hourly Rate	Annualized
\$20.00	\$41,600	\$0.29	\$5.33	\$3.69	\$29.31	\$60,961
\$25.00	\$52,000	\$0.36	\$6.66	\$3.69	\$35.71	\$74,282



# Minimum Wage Survey

- Benchmark Cities in Texas
- Included Dallas and Tarrant County
- Survey average: \$15.31/hour
- Proposed FY2025 entry wage: \$16.07 (4% increase)
- Same cities used for Police Meet and Confer and Fire Collective Bargaining survey data

Minimum Wage Survey: March 2024	
Organization:	Minimum
City of Arlington	\$ 9.74
City of Austin	\$ 20.80
City of Dallas	\$ 18.00
City of Denton	\$ 18.25
City of El Paso	\$ 13.11
City of Frisco	\$ 14.37
City of Garland	\$ 14.74
City of Grand Prairie	No Response
City of Houston	\$ 15.00
City of Irving	\$ 14.87
City of McKinney	\$ 12.69
City of Mesquite	\$ 15.00
City of Plano	\$ 10.87
City of Richardson	\$ 18.89
City of San Antonio	\$ 18.00
Dallas County	\$ 18.24
Tarrant County	\$ 12.46
City of Fort Worth	\$ 15.45
<b>Average</b>	<b>\$ 15.31</b>
<b>Median</b>	<b>\$ 14.94</b>
<b>Fort Worth</b>	<b>\$ 15.45</b>
<b>Variance (CFW v. Mkt)</b>	<b>101%</b>

# Entry Wage Analysis – Alternative Scenarios

Impact Analysis Summary							
Minimum Base Pay	Employees Impacted	Job Classifications Affected	Pay Structure Impact	Pay Increase Cost Estimate	Compression Cost Estimate	Total Cost Estimate	Pension and Medicare Portion
\$16.07	121	15	None	\$679,006	\$0	\$679,006	\$148,905
\$16.50	267	20	Yes	\$1.7M	\$25.4M	\$27.1M	\$5.9M
\$17.00	352	25	Yes	\$2.0M	\$38.0M	\$40.0M	\$8.8M
\$17.50	463	27	Yes	\$2.4M	\$50.5M	\$52.9M	\$11.6M
\$18.00	525	34	Yes	\$2.9M	\$62.9M	\$65.9M	\$14.4M
\$18.50	591	41	Yes	\$3.5M	\$75.3M	\$78.8M	\$17.3M
\$19.00	645	47	Yes	\$3.9M	\$87.7M	\$91.7M	\$20.1M
\$19.50	726	49	Yes	\$4.6M	\$100M	\$104.6M	\$22.9M
\$20.00	773	53	Yes	\$5.3M	\$112.2M	\$117.5M	\$25.8M
\$20.50	855	62	Yes	\$5.8M	\$124.6M	\$130.4M	\$28.6M
\$21.17	964	70	Yes	\$6.2M	\$131.7M	\$137.9M	\$30.3M
\$25.95	1816	127	Yes	\$22.2M	\$231.1M	\$253.3M	\$55.6M

- Increases above \$16.07 causes structural changes to pay plans
- Structural changes are elimination of pay grades or creation of new ones

# Wage Compression Examples

Pay Grade	Employee Name	Job Title	Actual Hourly	Actual Annual	Time W/ City	Time in Grade	\$16.07 Impact Hourly	\$16.07 Impact Annual	\$18.00 Impact Hourly	\$18.00 Impact Annual	\$20.00 Impact Hourly	\$20.00 Impact Annual
503	Brooks, M.	Food & Beverage Attendant	\$ 15.45	\$ 32,136	0.27	0.27	\$ 16.07	\$ 33,426	\$ 18.00	\$ 37,440	\$ 20.00	\$ 41,600
504	Newton, W.	Code Compliance Technician	\$ 19.21	\$ 39,962	16.60	16.60	\$ 19.21	\$ 39,962	\$ 19.21	\$ 39,962	\$ 20.00	\$ 41,600
505	Bing, C.	Sr Maintenance Worker - Lead	\$ 17.62	\$ 36,650	0.03	0.03	\$ 17.62	\$ 36,650	\$ 18.00	\$ 37,440	\$ 20.00	\$ 41,600

Pay Grade	Employee Name	Job Title	Actual Hourly	Actual Annual	Time W/ City	Time in Grade	\$16.07 Impact Hourly	\$16.07 Impact Annual	\$18.00 Impact Hourly	\$18.00 Impact Annual	\$20.00 Impact Hourly	\$20.00 Impact Annual
504	Davis, D.	Maintenance Worker	\$ 16.45	\$ 34,216	0.03	0.03	\$ 16.45	\$ 34,216	\$ 18.00	\$ 37,440	\$ 20.00	\$ 41,600
504	Pony, B.	Maintenance Worker	\$ 22.86	\$ 47,541	27.63	10.35	\$ 22.86	\$ 47,541	\$ 22.86	\$ 47,541	\$ 22.86	\$ 47,541

## Entry Wage Analysis – Alternative Scenarios Concerns (cont'd)

- Increases above \$16.07 causes structural changes to pay plans

Structural Changes Include	Issues with Changes
Elimination of pay grades leads to pay compression	There are only a fixed number of pay grade ranges for each pay structure
Increase in "overlapping" of pay structures	Causes "upward compression" between pay structures
Required creation of new pay grades to maintain internal pay equity for employees	<ol style="list-style-type: none"> <li>89% of pay grade ranges are at market (per 2023 Benchmark Survey)</li> <li>98% at market: average pay for non-exempt employees which include entry pay jobs (per 2023 Benchmark Survey)</li> </ol>

**Questions?**

