

Council Employee Benefits Ad Hoc Committee's Recommended Changes

Carla Romine – Human Resources

August 22, 2017



Objective

- ▶ To provide an overview of the Council ad hoc committee's recommended changes to the City's vacation and sick benefits

Ad Hoc Committee

- ▶ Mayor Pro-Tem Bagheri
- ▶ Councilmember Briggs
- ▶ Councilmember Ryan*
- ▶ Staff Liaisons
 - ▶ Todd Hileman, City Manager
 - ▶ Bryan Langley, Deputy City Manager
 - ▶ Carla Romine, Director of Human Resources
 - ▶ Scott Payne, Risk Manager

*Councilmember Wazny was originally on the Committee; Councilmember Ryan replaced her when she left Council

Timeline

Date	Action
February 14, 2017	Staff provided an overview of vacation and sick leave benefits to City Council; members of Council suggested forming a Council committee to review vacation and sick leave benefits further since benefits weren't considered with the compensation study
March 7, 2017	Council approved resolution 2017-007, establishing an ad hoc committee to review vacation and sick leave benefits
March 24, 2017	Ad hoc committee had its first meeting to begin reviewing vacation and sick leave benefits; the ad hoc committee discussed the need to be able to review other benefits
April 11, 2017	Ad hoc committee made a recommendation to the Council to expand its scope to include a review of all employee benefits, not just vacation and sick leave

Timeline

Date	Action
April 18, 2017	Council approved resolution 2017-014, expanding the scope of the ad hoc committee to include a review of all employee benefits
April 27, 2017	Ad hoc committee had its second meeting; requested staff to seek employee input on potential changes to vacation and sick leave benefits; feedback on potential health insurance changes was also sought
May 16, 2017	HR staff met with Employee Insurance Committee to discuss options Committee was considering; requested they seek feedback from employee groups by June 9, 2017; ad hoc committee dissolved per resolution 2017-014
June 27, 2017	Council approved resolution 2017-024, re-establishing the ad hoc committee
July 10, 2017	Ad hoc committee met a third time to review employee input and finalize its recommendations to Council

Employee Comment Process

- ▶ Determined Employee Insurance Committee (EIC) was best avenue to seek employee feedback since all departments are represented
- ▶ Agenda was emailed on May 12, 2017, giving EIC a “heads up” that the May 16th meeting would run longer and that we needed everyone in attendance (or to send a backup)
- ▶ Emailed packet of information to EIC on May 15, 2017, which included options being considered by Committee
- ▶ Met with EIC on May 16, 2017, to discuss information; requested them to meet with their representative group(s) to share the information and seek feedback
- ▶ Followed up with talking points and other information to EIC in an email on May 24, 2017
- ▶ Feedback due to HR by June 9, 2017
- ▶ Feedback was compiled and shared with Committee on July 10, 2017
- ▶ EIC was notified of the Committee’s recommended changes via email on August 17, 2017

VACATION BENEFITS

Current Vacation Benefits

Benefit	Non-Civil Service Employees*	Police Civil Service and Fire Civil Service Employees Working 40 hours**	Fire Civil Service Employees Working Shift**
VACATION			
Monthly Accrual	10 hours	10 hours	15 hours
Bonus Accrual	4 hours for each year of service, beginning on the fifth anniversary	4 hours for each year of service, beginning on the fifth anniversary	6 hours for each year of service, beginning on the fifth anniversary
Maximum Annual Carry Over	320 hours	320 hours	480 hours
Pay Out Upon Termination[^]	Accrued hours up to 320 hours	Accrued hours up to 320 hours	Accrued hours up to 480 hours

* Benefits presented in this chart are for regular, full-time employees. Regular 1/2 time and 3/4 employees receive prorated benefits.

**Many of the sick and vacation benefits are mandated by Chapter 143 of the Texas Local Government Code. The mandated benefits per statute are highlighted in yellow.

[^]Pay out upon termination is only allowed if the employee has completed 6 months of employment, has not been terminated for gross misconduct, and has returned all City property on or before issuance of the employee's final pay check

Employee Feedback - VACATION

- ▶ The EIC was opposed to changes in current vacation benefits
- ▶ Consensus by the EIC was if changes were going to be made, grandfather existing employees. If choose not to grandfather, then:
 - ▶ Accruals
 - ❑ No change in accrual but cap bonus time at 20 years
 - ▶ Carry-over and Payout
 - ❑ Implement a graduated plan for carry-over hours based on years of service
 - 0 – 10 years = 240 hours (360 for Fire CS employees)
 - 10+ years = 320 hours (480 for Fire CS employees)
 - ❑ Match payout to carry-over

Committee's Recommended Changes Compared to Current Benefits

Benefit	CURRENT BENEFITS		
	Non-Civil Service Employees*	Police Civil Service and Fire Civil Service Employees Working 40 hours**	Fire Civil Service Employees Working Shift**
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RECOMMENDED CHANGES BY COUNCIL AD HOC COMMITTEE			
Non-Civil Service Employees*	Police Civil Service and Fire Civil Service Employees Working 40 hours**	Fire Civil Service Employees Working Shift**	Effective Date
No change	No change	No change	N/A
Cap at 20 years, so the maximum bonus time is 60 hours	Cap at 20 years, so the maximum bonus time is 60 hours	Cap at 20 years, so the maximum bonus time is 90 hours	1/1/18 for new employees; for existing employees, we would have a phased implementation. The bonus time beginning on 1/1/18 would be decreased to 2 hours (3 hours for Fire civil service employees) for years beyond 20; then be removed altogether 1/1/19 for years beyond 20.
0 - 10 years = 240 hours 10+ years = 320 hours	0 - 10 years = 240 hours 10+ years = 320 hours	0 - 10 years = 360 hours 10+ years = 480 hours	1/1/18 for new employees; for existing employees, we would have a phased implementation. The carryover for 0 - 10 years would be 280 hours beginning 1/1/18, then would be 240 beginning 1/1/19 (for Fire civil service employees, would be 420 hours beginning 1/1/18, then would be 360 hours beginning 1/1/19).
Accrued hours up to 240 hours	Accrued hours up to 240 hours	Accrued hours up to 360 hours	1/1/18 for new employees; for existing employees, we would have a phased implementation. Beginning 1/1/18, employees would be paid up to 280 accrued hours, and on 1/1/19, they would be paid up to 240 accrued hours for Fire civil service employees, would be 420 hours beginning 1/1/18, then 360 hours beginning 1/1/19).

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^{^^}Exception: per policy 111.01, employees who die while in service of the City or while on authorized military leave of absence shall be paid for all unused sick leave not to exceed 90 working days.

Impact of Vacation Benefit Changes

Using Vacation Accrual Data as of 7/12/17

- ▶ Capping bonus accrual at 20 years = 190 employees
- ▶ Bifurcating carry-over hours (affects employees with 10 years of service or less) = 103 employees
- ▶ Changing payout to 240 (360 for Fire) = 404 employees
- ▶ Potential savings:
 - ▶ Carry-over impact is difficult to calculate
 - ▶ Payout is approximately \$96,000 (considering actual payout information 10/1/16 through 8/11/17)

SICK LEAVE BENEFITS

Current Sick Benefits

Benefit	Non-Civil Service Employees*	Police Civil Service and Fire Civil Service Employees Working 40 hours**	Fire Civil Service Employees Working Shift**
SICK LEAVE			
Monthly Accrual	8 hours	10 hours	15 hours
Maximum Annual Accrual	720 hours	Unlimited	Unlimited
Pay Out Upon Termination	none^^	Accrued hours up to 720 hours	Accrued hours up to 1,080 hours

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Employee Feedback - SICK

- ▶ Consensus by the EIC was that if changes were going to be made, change accruals from 8 hours per month to 10 hours per month
- ▶ After studying the survey results, the EIC requested payout of sick leave upon termination, especially if vacation payout was going to be reduced

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RECOMMENDED CHANGES BY COUNCIL AD HOC COMMITTEE			
Non-Civil Service Employees*	Police Civil Service and Fire Civil Service Employees Working 40 hours**	Fire Civil Service Employees Working Shift**	Effective Date
10 hours	No change	No change	1/1/18 for new as well as existing employees
No change	No change	No change	N/A
No change	No change	No change	N/A

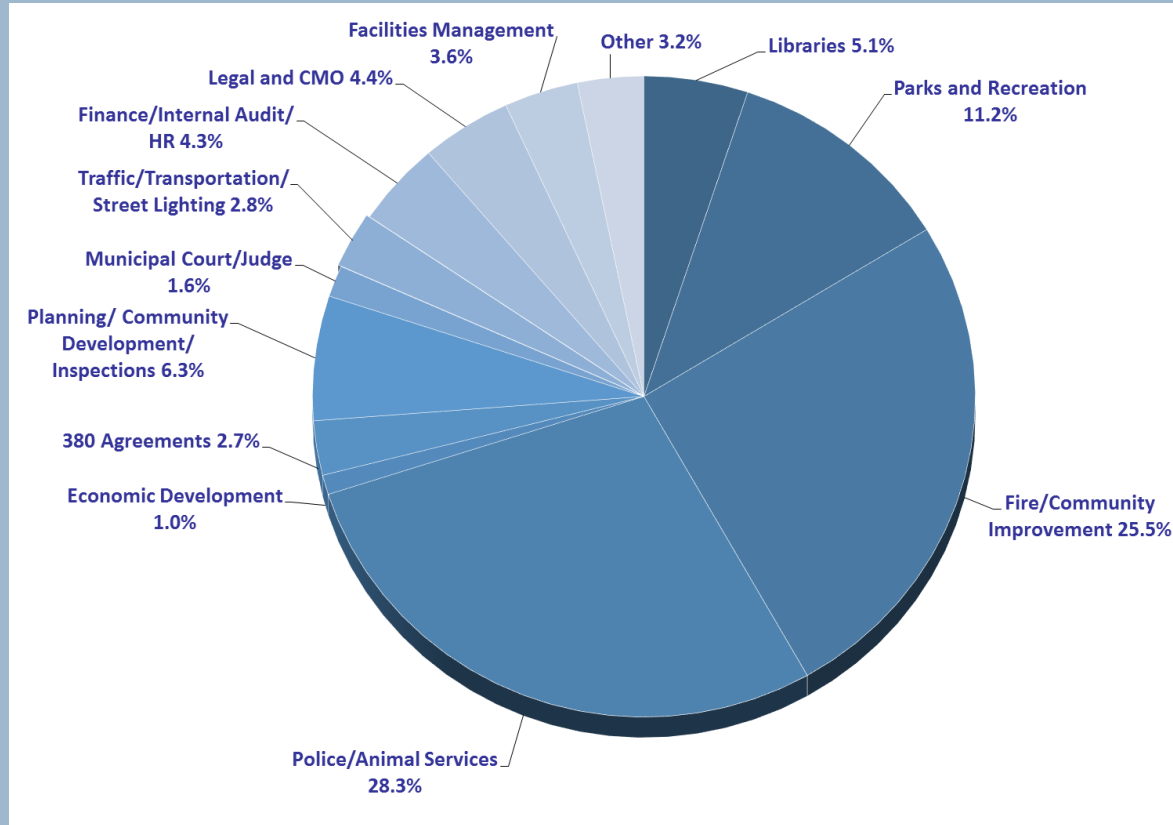
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Additional Information Requested by Council



General Fund by Department

Additional Information
Requested by Council

General Fund Proposed Budget					
Department	FY 2016-17 Budget	FY 2017-18 Proposed Budget	Increase	Percent of Increase	
Police Department	\$ 29,856,111	\$ 32,222,806	\$ 2,366,695	50.0%	
Animal Services	\$ 1,499,776	\$ 1,559,205	\$ 59,429	1.3%	
Fire Department	\$ 27,394,560	\$ 28,859,996	\$ 1,465,436	30.9%	
Economic Development (Incentive Payments)	\$ 2,460,437	\$ 3,280,209	\$ 819,772	17.3%	
General Fund - all other	<u>\$ 53,598,046</u>	<u>\$ 53,623,835</u>	<u>\$ 25,789</u>	<u>0.5%</u>	
Totals	\$ 114,808,930	\$ 119,546,051	\$ 4,737,121	100.0%	

Questions

