



**CITY OF FAIR OAKS RANCH
CITY COUNCIL SPECIAL MEETING AGENDA**

September 11, 2015; 1:30 p.m.
City Hall Council Chambers
7286 Dietz Elkhorn, Fair Oaks Ranch

I. ESTABLISH A QUORUM OF 4 COUNCIL MEMBERS

II. DISCUSSION/CONSIDERATION ITEMS

- A. Presentation and discussion of Classification and Pay Plan conducted by Werling Associates, Inc. **- City Administrator Jahns**
- B. Consideration of accepting and implementing the Werling Classification and Pay Plan beginning FY2015/16. **- City Administrator Jahns**
- C. Discussion of ordinance creating the position of a City Administrator and delineating the duties and responsibilities of said. **- City Administrator Jahns**

III. ADJOURNMENT

Signature of Agenda Approval: _____

A handwritten signature in cursive script, appearing to read "Cheryl Lindman", written over a horizontal line.

I, Priscilla Abrego, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the city's website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times. Said Notice was posted by 1:00 p.m., Tuesday, September 8, 2015 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch City Hall is wheelchair accessible at the side entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to *Tex Gov't Code* Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).



Solutions and Leadership
for Human Resource Management

**Base Pay System Design Report
for
City of Fair Oaks Ranch**

Prepared by:

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September 11, 2015

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INTRODUCTION

Werling Associates, Inc. provides this base pay system design for Fair Oaks Ranch. The report provides the City Administrator with the information to support the new base pay system. The new base pay system focuses on the organization's concern for maintaining competitive pay relative to other similarly sized organizations, and follows standard compensation practice in providing salary survey information from various wage surveys. The pay system provides a recommended pay range for each job, based on the market estimates and internal considerations. The pay system also includes a model for determine individual pay rates.

WERLING ASSOCIATES, INC.'S ROLE

Werling Associates, Inc. is a San Antonio, Texas based human resource management consulting firm specializing in compensation system design. The analysis and recommendations reflect our knowledge of sound compensation practice. Werling Associates, Inc. is a consulting firm and does not practice law. As such, the analysis and recommendations represent our view as management consultants from a business perspective. The organization should consider the information and interpretations contained in this report as reference points for decision-making, not as legal opinion or legal advice. The organization should consult with an attorney on any legal matters associated with this report.

The primary role of Werling Associates, Inc. in the base pay system design process is that of a technical consultant and advisor. It is the responsibility of the management to make all final compensation decisions.

OBJECTIVES

To achieve the compensation philosophy, the compensation system has several specific objectives:

- Enhance and support the organization's culture, strategies, and objectives.
- Ensure pay decisions are made within the organization's long-term financial objectives, as with any financial decision, be conservative.
- Standardize the wage determination process.
- Establish wage levels that are competitive with those paid for similar work in the relevant labor market.
- Assure that the organization meets the FLSA requirements with respect to exempt status.

BASE PAY SYSTEM DESIGN

The pay system design follows a market based job evaluation process to develop a pay structure and assign pay grades. The process included a complete and open Executive review of all pay data and related information. The base pay system design process includes the following steps.

Collect Relevant Base Information

The organization provided the following information for all jobs and employees included in the project:

- Current pay practices;
- The updated job descriptions;

- Organizational charts;
- Departmental job hierarchy;
- Career path;
- Employee data; and
- Other related information.

Collect Wage Survey Data

The availability of market data is critical to the success of the compensation system design. The design process uses published surveys. The published surveys provide the organization with the ability to update the pay system on an annual basis. Several custom surveys provide additional city specific information. The analysis adjusts the national wage data to reflect wages in San Antonio using the geographic differentials provided by the 2014 Economic Research Institute Geographic Assessor. The analysis adjusted all survey data to June 1, 2015 using a 3.0% annual rate. The analysis used the following surveys:

- 2015 San Antonio Area Wage and Benefit Survey; Werling Associates, Inc.
- 2015 Salary Assessor, Economic Research Institute (ERI)
- 2014 AWWA National Compensation Study (Small and Medium-Sized Water and Waterworks Utilities)
- 2015 Custom Local City Survey

Boerne	Live Oak	Selma	Terrell Hills
Bulverde	Olmos Park	Shavano Park	

- 2010 TML Survey (General comparison only)

Seguin	Boerne	Live Oak	Marble Falls
Universal City	Fredericksburg	Alamo Heights	Selma

- 2012 Broad Local City Survey (General comparison only)

Bexar County	Fair Oaks Ranch	SA River Authority	Selma
Boerne	Helotes	San Antonio	Sequin
Comal County	Kerrville	San Marcos	Universal City
Converse	New Braunfels	Schertz	

Design Pay Structure

The design of a traditional pay structure involves three decisions: the minimum pay for any job in the organization, the midpoint separation between pay grades, and the range spread. Each pay range has a minimum, a midpoint, and a maximum pay level.

Minimum Pay

The organization maintains a minimum wage equivalent to the prevailing minimum wage as described in the Federal Labor Standards Act. The federal minimum wage is \$7.25 or \$15,080.

Midpoint Separation

The midpoint separation between pay grades represents the average differential that the organization expects to maintain between jobs in adjoining pay grades. The differential reflects the organization's treatment of pay differentials in the marketplace as well as differences in job duties and responsibilities. Organizations may choose either a constant percentage differential between the grades, typically 6% - 10%, or an increasing differential for higher pay grades.

The structure chosen by the organization uses a standard differential of 8% between all pay grades. This differential allows sufficient increases to encourage employees to take on additional responsibilities through promotions. The differentials also create a sufficient number of pay grades to accommodate future growth and changes within the organization.

Pay Range

The pay range is the percentage differential from the minimum to the maximum of the range. The pay range provides flexibility in establishing employee wage rates based on individual differences and some differences in job expectations. The pay range also provides flexibility in dealing with changing market forces. The pay range, when combined with midpoint pay grade differentials can provide sufficient overlap in pay grades to accommodate the overlap of skills and broad classifications of jobs.

The proposed structure uses a constant 50% range in each pay grade. The constant differential is easily explained to employees and still provides the broader dollar ranges needed at the higher pay grades to accommodate larger variances in employee characteristic and other related factors. Exhibit I provides the base pay structure.

Establish the Pay Level Policy

The City maintains a pay policy of meeting the average total compensation wages within the relevant labor market of similar sized cities in the San Antonio area.

Implement a Market Based Job Evaluation Process

The job evaluation process establishes general rules to provide a standard treatment of jobs based on the market data and internal organizational considerations.

The market-based process assigns each benchmark job with market data to the pay grade where there is the closest match between the adjusted market rate and the midpoint of the pay grade. This ensures that the midpoint of the pay grade is within 4% of the adjusted market average. The matching process is not an exact science due to differences in market estimates across surveys. The market evaluation guidelines address the differences to reflect the degree of relationship between a particular survey and the relevant

labor market. The closer the survey is to the labor market, the stronger the confidence in the survey and the greater the weight given to the survey.

The market based job evaluation process assigns non-benchmark jobs to pay grades based on an analysis of internal job related factors that may influence compensation for the job. The internal analysis may also adjust the market pay grades to reflect the internal relationships based on the same factors. These factors include, but are not limited to reporting relationships within the organization, grade assignments of similar jobs in the organization, differences in job responsibilities, scope of responsibilities, skill requirements, specific knowledge requirements, managerial input, and other compensable factors.

The market-based job evaluation process has numerous advantages and disadvantages over the traditional job evaluation plans or a pure market pricing process. A review of these advantages and disadvantages provides a better understanding of the design process.

Advantages

- Focuses on the market rate as the primary basis for assigning pay grades to benchmark jobs.
- Establishes consistent rules to maintain external, internal, and individual equity.
- Uses organizational relationships and relative job responsibilities to assign non-benchmark jobs to pay grades.
- Supports organizational requirements of attracting and retaining employees.
- Matches labor costs with those of competitors.
- Significantly reduces time needed to design and maintain the pay system.
- Results in approximately 95% accuracy in the initial pay grade assignments.

Disadvantages

- High employee awareness to market data places increased pressure on organizations to maintain a competitive position in difficult times.
- Requires annual or semi-annual updates to maintain employee acceptance.

Werling Associates assigned initial pay grades based on the market information and the relationships between the jobs. The Police Chief, Building Officer, City Administrator, City Secretary, Deputy City Administrator, Public Works Director/City Engineer, and Human Resources Manager reviewed the market information and initial pay grades and made appropriate recommendations.

The Building Officer verified the job requirements for one job.

- **Building Inspector:** The Building Inspector is a fully qualified Construction Inspector who works part-time. The pay grade matches the survey data for a Construction Inspector, pay grade 15.

The Police Chief recommended three related pay grade changes.

- **Police Officer:** Werling Associates initially assigned the pay grade to match the average in the local survey, with the expectation that the job should be assigned to a pay grades based on the starting pay. The Police Chief agreed with the later recommendation. Match the average minimum pay in the local survey to the closest pay grade minimum, assign job to pay grade 15.

- **Investigator:** The market surveys suggest that the Police Inspector should be approximately two pay grades above the Police Officer. Police Chief recommended the same pay grade with a differential to provide more flexibility in assigning duties.
- **Sergeant:** Change from pay grade 15 to 17 to maintain a two pay grade differential from the Police Officer.

The Public Works Director/City Engineer recommended one change in the initial pay grades.

- **Water/Wastewater Operator III:** Change from pay grade 12 to pay grade 13. The job is a lead job and requires dual certification.

The City Administrator, City Secretary and Deputy City Administrator reviewed the administrative positions and resolved some Werling Associates, Inc. questions.

- **Finance Officer:** Job description reads like a supervisor rather than a full Finance Officer. Werling Associates, Inc. assigned the job to an initial pay grade based on the supervisor market data. The Executives agreed to pay grade 15, the average of the San Antonio Survey based pay grade and ERI survey pay grade.
- **City Secretary:** The executives identified a split in the City Secretary/Assistant to the City Administrator job after the start of the project. The City Secretary matched to the local survey data. Most respondents matched the combined job to their City Secretary. Job assigned to pay grade 17.

The City Administrator reviewed the Executive positions and resolved any conflicts of issues.

- **Police Chief:** Market data suggests a pay grade 20. The previous pay structure had the Police Chief and the Public Works Director/City Engineer in the same pay grade. Both jobs have similar education and experience requirements and a similar number of employees in the departments. Werling Associates, Inc. recommended that the City assign the jobs to the same pay grade. The City Administrator agreed.

Deputy City Administrator: The City did not have a Deputy City Administrator at the time of the 2014 custom survey. The data in several other surveys indicate that few small cities have a Deputy City Administrator. The larger cities have a Deputy City Administrator who appears to be a fully function second in command.

The lack of market data requires an internal analysis of the job. Werling Associates, Inc. recommends pay grade 23, one pay grade above the Police Chief and the Public Works Director/City Engineer.

All of the executive recommendations fit within the normal evaluation process and does not reflect any illogical or inappropriate decision making. Exhibit 2 provides the title, recommended pay grade, and the pay range for each job.

EMPLOYEE PAY DETERMINATION

The employee pay determination component involves an evaluation of individual wages compared to the recommended pay ranges and a process for establishing employee pay. The analysis uses the compa ratio to evaluate the employee's pay relative to the midpoint of the pay grades. The compa ratio is the employee's pay relative to the pay grade midpoint. The compa ratio for the minimum of the pay range is 0.80. The compa ratio for the maximum of the pay range is 1.20. A compa ratio of 1.00 indicates the employee's pay is at the midpoint of the pay grade.

The expected average pay grade in a mature organization is between 0.95 and 1.05. A fully qualified employee with seven years on the job should have a compa ratio of approximately 1.00. The current average compa ratio is 0.89. The average compa ratio indicated that the City's wages are approximately 11% below the expected wages in the marketplace.

Individual Pay Model (IPM)

The primary decision in a base pay system is the pay for each employee. The project uses an Individual Pay Model to determine the pay for each employee. The Individual Pay Model (IPM) combines multiple job-related factors into a weighted equation to determine a target pay for each employee within a competitive pay range. The IPM for the City of Fair Oaks Ranch includes previous experience, time on the job, performance, and the current additional pay provided by the City, education pay, stipends, certification pay and longevity pay.

The Individual Pay Model re-computes the employee's pay each year rather than determining a percentage increase to the previous pay. This insures that the employee's pay is correct based on the factors in the model and breaks the link between the employee's current pay and any past decisions; thus improving efficiency and reducing any potential liability for past pay decisions. The IPM, when matched with a market based structure, provides the most complete and equitable process for determining the appropriate pay for all employees.

Advantages

- The most efficient model to allocate wages based on the need to retain and reward the best employees.
- Provides a conservative estimate of the ideal expected pay.
- Matches the organization's overall pay philosophy in a competitive market.
- Corrects many compensation problems including pay inequities, pay compression, inefficient pricing decisions, etc.
- Provides an efficient pay determination process that mirrors the sophistication of other substantial financial decisions.
- Significantly reduces the risk of legal actions related to pay decisions.

Disadvantages

- Requires additional processes to evaluate the factors used in the model.
- Requires a change in organizational culture related to compensation.
- Requires a process to reduce overpayments to employees that are due to past inefficient pay decisions.
- Results in a short term increase in labor costs to correct any past inequities.
- Requires training for managers and employees to explain the change in pay practices.

The Individual Pay Model Equation is:

$$\begin{aligned} \text{Target Pay} = & \text{Minimum of the pay grade} * (1 + (\% * \text{Previous external and internal experience} + (\% * \\ & \text{Time on the job})) \\ & + \text{Additional education pay} \\ & + \text{Certification pay} \\ & + \text{Stipends} \\ & + \text{Additional duty pay} \end{aligned}$$

The organization will use the Individual Pay Model for computing starting pay, promotional pay increases, and future equity adjustments. The Excel program that supports the base pay plan design contains all of the employee information to support the individual adjustments.

Exhibit 3 provides the factors and weights for the Individual Pay Model.

COST IMPLICATIONS

The average adjustment based on the Individual Pay Model (IPM), with a 1.80% minimum increase, is 4.74%. The cost of the annual increase with the equity adjustment is \$96,744.76. The annual pay for each employee also includes the past payments for education, certification, stipend, longevity, and additional duties. These amounts increase the reported budget for the wages but do not increase the budget.

CONTINUING ACTIVITIES

The City executives brought up several pay related issues during the design process that require additional discussion. Many of the issues relate to the pay practices in specific departments compared to the City as a whole. The City Executives should discuss these recommendations using an overall City perspective rather a department perspective.

Merit Pay

The City Administrator indicated that the City wants to move to a merit increase plan starting this fiscal year. The new job specific performance appraisal system will be in place by October 1st. The appraisal system allows the City to collect the necessary performance ratings on approximately September 1, 2016. The supporting Excel program includes a templet for developing a merit matrix to determine the merit increases. The Individual Pay Model includes the merit increases for 2016 and beyond.

The City Executives must determine the appropriate merit matrix model and related policies to support the merit increases.

Education Credit

Many organizations provide additional pay to employees who obtain additional education beyond the minimum requirements for the job. The education pay is typically limited to degrees in job related areas. The City currently provides the Police Officers with pay for additional education. The education pay applies to a degree in any field. The education pay does not apply to any other employees.

The City Executives should consider expending the education pay to all employees. The City should also consider either limiting the additional pay to job related degrees or providing a differential rate for job related and non-job related degrees.

Career Path for Police Officers

The Police Chief has developed a career path for the Police Officers that considers completion of training, advancement towards a degree and other job related factors. The City Executives should review the plan in light of the changes to the pay plan, especially the Individual Pay Model. The City should consider the role of career paths in the organization rather than just one or two departments.

Corporals to Sergeant

The Police Chief recommended that the City replace the Police Corporal job with a Police Sergeant job. The change reflects both internal and external needs. The Police Corporals are currently performing many of the supervisory duties of a Sergeant including conducting performance appraisals. The Corporals may also be involved in external activities that are typically filled by Sergeants. The cost of the change is approximately \$4,500 per year.

The City should consider several related factors in determining the need for four additional Sergeants and their pay. First, 5 Sergeants would result in a very narrow span of management with only 12 Police officers. This span of management is much narrower than the typical 5 – 9 employees found in most organizations.

Second, the narrow span of management creates a situation where the Sergeant job may be non-exempt under the Fair Labor Standards Act. The law requires that supervisors oversee two or more employees and that the primary duty of the job is supervision. The primary duties test is difficult to meet if the supervisor only has the minimum of two direct reports. This issues may be even more important with the upcoming changes for the FLSA Regulations.

Third, the current proposal recommends promoting all of the current Police Corporals. The City must consider the job change a promotion. The City should establish minimum requirements for the Sergeant job, then evaluate the Corporals based on the minimum requirements. In addition, the City should provide supervisory training to the new Sergeants.

Employee Training

The City executives and the Human Resources Manager play a critical role in the ongoing success of the base pay system. The final element of a strong base pay system is the training of all employees involved in the pay system management and training all employees, to improve the understanding and acceptance of the process and related decisions.

Werling Associates, Inc. will train the appropriate City staff to maintain the base pay system and provide 10 hours continuing support for the next 6 months. Werling Associates, Inc. recommends training all employees on the new base pay plan prior to the first pay period in October.

SUMMARY

The base pay plan, the accompanying Excel program, and the employee training provide the City with the tools necessary to establish and maintain competitive base pay. The plan also provides flexibility to address new pay issues in the future.

Exhibit 1 - Base Pay Structure

PAY GRADE	HOURLY			ANNUAL		
	GRADE MIN	GRADE MID	GRADE MAX	GRADE MIN	GRADE MID	GRADE MAX
1	7.25	9.06	10.88	15,080	18,850	22,620
2	7.83	9.79	11.75	16,286	20,358	24,430
3	8.46	10.57	12.68	17,589	21,987	26,384
4	9.13	11.42	13.70	18,996	23,746	28,495
5	9.86	12.33	14.80	20,516	25,645	30,774
6	10.65	13.32	15.98	22,157	27,697	33,236
7	11.50	14.38	17.26	23,930	29,913	35,895
8	12.43	15.53	18.64	25,844	32,306	38,767
9	13.42	16.77	20.13	27,912	34,890	41,868
10	14.49	18.12	21.74	30,145	37,681	45,217
11	15.65	19.57	23.48	32,557	40,696	48,835
12	16.90	21.13	25.36	35,161	43,951	52,742
13	18.26	22.82	27.39	37,974	47,468	56,961
14	19.72	24.65	29.58	41,012	51,265	61,518
15	21.29	26.62	31.94	44,293	55,366	66,439
16	23.00	28.75	34.50	47,836	59,795	71,754
17	24.84	31.05	37.26	51,663	64,579	77,495
18	26.83	33.53	40.24	55,796	69,745	83,694
19	28.97	36.21	43.46	60,260	75,325	90,390
20	31.29	39.11	46.93	65,081	81,351	97,621
21	33.79	42.24	50.69	70,287	87,859	105,431
22	36.50	45.62	54.74	75,910	94,888	113,865
23	39.41	49.27	59.12	81,983	102,479	122,975
24	42.57	53.21	63.85	88,542	110,677	132,813
25	45.97	57.47	68.96	95,625	119,531	143,438
26	49.65	62.06	74.48	103,275	129,094	154,913

Exhibit 2 - Jobs by Pay

Job Title	Pay Grade	Pay Grade Min	Pay Grade Mid	Pay Grade Max	Pay Grade Min	Pay Grade Mid	Pay Grade Max
Deputy City Administrator	23	39.41	49.27	59.12	81,983	102,479	122,975
Police Chief	22	36.50	45.62	54.74	75,910	94,888	113,865
Public Works Dir./City Engineer	22	36.50	45.62	54.74	75,910	94,888	113,865
Police Sergeant	17	24.84	31.05	37.26	51,663	64,579	77,495
Public Works Superintendent	17	24.84	31.05	37.26	51,663	64,579	77,495
Building Official	16	23.00	28.75	34.50	47,836	59,795	71,754
Finance Officer	16	23.00	28.75	34.50	47,836	59,795	71,754
Police Corporal	16	23.00	28.75	34.50	47,836	59,795	71,754
City Secretary	15	21.29	26.62	31.94	44,293	55,366	66,439
Engineer In Training	15	21.29	26.62	31.94	44,293	55,366	66,439
Police Investigator	15	21.29	26.62	31.94	44,293	55,366	66,439
Police Officer	15	21.29	26.62	31.94	44,293	55,366	66,439
Water/Wastewater Operator Supv.	15	21.29	26.62	31.94	44,293	55,366	66,439
Building Inspector	14	19.72	24.65	29.58	41,012	51,265	61,518
GIS Technician	13	18.26	22.82	27.39	37,974	47,468	56,961
Human Resources Specialist	13	18.26	22.82	27.39	37,974	47,468	56,961
Maintenance Supervisor	13	18.26	22.82	27.39	37,974	47,468	56,961
Water/Wastewater Operator III	13	18.26	22.82	27.39	37,974	47,468	56,961
Court Clerk	11	15.65	19.57	23.48	32,557	40,696	48,835
Water/Wastewater Operator II	11	15.65	19.57	23.48	32,557	40,696	48,835
Administrative Assistant	10	14.49	18.12	21.74	30,145	37,681	45,217
Utility Clerk	10	14.49	18.12	21.74	30,145	37,681	45,217
Finance Assistant	10	14.49	18.12	21.74	30,145	37,681	45,217
Maintenance Lead	10	14.49	18.12	21.74	30,145	37,681	45,217
Administrative Clerk	8	12.43	15.53	18.64	25,844	32,306	38,767
Water/Wastewater Operator I	8	12.43	15.53	18.64	25,844	32,306	38,767
Maintenance Worker	7	11.50	14.38	17.26	23,930	29,913	35,895
Utility Technician	7	11.50	14.38	17.26	23,930	29,913	35,895

Exhibit 3 - Individual Pay Model Weights

Factor	IPM 1	IPM 2
	Weight	Weight
External experience beyond job requirements (Same job):	1.00	1.00
External experience beyond job requirements (Related jobs):	0.75	0.75
Internal experience beyond job requirements (Same Job):	1.10	1.10
Internal experience beyond job requirements (Related Jobs):	0.85	0.85
Time on job at implementation:	2.50%	2.75%
Additional pay discretion:	1.00%	1.00%

Credited Job Experience	IPM 1			IPM 2		
	Years	Pct.	Max Pct.	Years	Pct.	Max Pct.
0-5 Years	0	1.50%	7.50%	0	2.00%	10.00%
Over 5 - 10 Years	5	1.25%	6.25%	5	1.75%	8.75%
Over 10 - 15 Years	10	0.75%	3.75%	10	1.25%	6.25%
Over 15 Years	15	0.50%		15	1.00%	

Education	IPM Level 1			IPM Level 2		
	Rating	Pct.	\$	Rating	Pct.	\$
LT HS	1	0.00%	0.0000	1	0.00%	0.00
HS or GED	2	0.00%	0.1000	2	0.00%	0.20
One Year College Diploma	3	0.00%	0.2000	3	0.00%	0.40
Assoc. Degree	4	0.00%	0.4579	4	0.00%	0.60
Bachelor's Degree	5	0.00%	0.9158	5	0.00%	1.10
Master's Degree	6	0.00%	1.1000	6	0.00%	1.20
JD/PhD	7	0.00%	1.5000	7	0.00%	1.70

Additional Duties - \$	Code	Hourly	Description
	1		
	2		
	3	0.1374	Patrol Officer Intermediate
	4	0.2747	Patrol Officer Advanced
	5	0.4128	Patrol Officer Master
	6	0.2885	Water/Wastewater B
	7	0.5769	Water/Wastewater A
	8	0.4375	FORMDD Stipend - City Secretary
	9	0.6250	FORMDD Stipend - Finance Officer
	10	0.1374	Rabies Control Officer
	11	0.4579	Investigator Responsibilities

DRAFT FOR DISCUSSION PURPOSES ONLY

ORDINANCE NO. 2015-XX

AN ORDINANCE OF THE CITY OF FAIR OAKS RANCH CREATING THE POSITION OF CITY ADMINISTRATOR FOR THE CITY OF FAIR OAKS RANCH, TEXAS, AND PROVIDING FOR THE APPOINTMENT AND TENURE FOR SAID OFFICE, COMPENSATION, POWERS AND DUTIES, AND PROVIDING A SEVERABILITY AND REPEALING CLAUSE

WHEREAS, the final and ultimate responsibility for government of the City of Fair Oaks Ranch, Texas, and administration of its business is with the governing body of this City consisting of the Mayor and City Council; and,

WHEREAS, the governing body desires to employ a City Administrator and confer upon said Administrator the powers and duties as it desires; and,

WHEREAS, the City Council has determined that it is in the best interest of the City of Fair Oaks Ranch, Texas, that a City Administrator will provide an economical, effective and efficient administration for the City of Fair Oaks Ranch, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS THAT:

1. Creation of City Administrator Position:

- a. The municipal position of "City Administrator" is hereby created
- b. The City Administrator is the chief administrator of the City and shall be responsible for the proper and efficient administration of the affairs and day to day operations of the City. The City Administrator shall report and shall receive policy direction from the whole of the City Council.

2. Appointment and Removal:

A majority of the City Council Alderman is required to appoint and remove the City Administrator. The City Administrator shall serve at the will of the governing body, as set forth in this paragraph, and the term of such City Administrator shall continue indefinitely unless terminated as stated herein or by resignation.

3. Duties and Responsibilities:

- a. The City Administrator is responsible for implementing the ordinances and policies adopted by the City Council and for upholding State and federal laws and regulations.
- b. The City Administrator attends and participates in City Council Meetings but has no vote.
- c. The City Administrator shall supervise the preparation of agendas for all meetings of the City Council. The agendas shall be prepared in accordance with Rules and Procedures adopted by the City Council.
- d. The City Administrator provides staff support services to the Mayor and Councilmembers.
- e. The City Administrator has a professional obligation to provide recommendations and advice to the City Council on City policy issues.
- f. The City Administrator conducts research and analyses to assist the City Council in the formulation of policy.
- g. The City Administrator shall initiate and assist the City Council in the development of long term goals for the City and assist in the formulation of strategies to implement such goals.
- h. The City Administrator shall assist the Mayor, who, in a General Law Type A city, is the statutory budget officer, in the preparation of the proposed annual budget.
- i. The City Administrator shall be responsible for the expenditure of all City funds and for administering and monitoring implementation of the annual budget as approved by the City Council.

- j. The City Administrator shall keep the City Council fully advised as to the financial condition of the City and future needs of the City.
- k. The City Administrator shall oversee the purchasing of all merchandise, materials, supplies and services as budgeted and shall put in place such rules and regulations governing contracts, requisitions and transactions of business between City departments and vendors of goods and service in compliance with all State procurement laws.
- l. The City Administrator is authorized to make all purchases on behalf of the City according to the City's financial policy.
- m. The City Administrator shall negotiate, sign, execute and monitor implementation of all contracts including franchise agreements entered into by the City in accordance with City policy.
- n. The City Administrator assures risk management controls and assessments are in place to protect the City's liability and property concerns.
- o. The City Administrator is responsible for the coordination of City communication with the public and the news media including outreach initiatives to the citizens and general public through various media venues.
- p. The City Administrator shall make reports to the City Council and public on the affairs, finances and operations of the City as directed through Council policy.
- q. The City Administrator shall direct and supervise the administration of all departments, offices and public utilities of the City and shall investigate or cause to be investigated as appropriate any complaints concerning the administration of the City government and its public utilities.
- r. The City Administrator shall hire and remove or suspend all city employees other than statutory officers or may delegate and authorize any administrative employee subject to the Administrator's direction and supervision to exercise these powers in accordance with City personnel policies and procedures.
- s. The City Administrator shall publish and make personnel policies and procedures available to all City employees.
- t. The City Administrator shall promote cooperation and collaboration among the Mayor, Council members, staff, community groups and individual citizens in building a sense of community.
- u. The City Administrator shall encourage and provide staff support for regional and intergovernmental cooperation and collaboration.
- v. The City Administrator shall perform other duties as required by the City Council.

4. Performance and Accountability:

- a. The City Council shall meet with the City Administrator at least once annually to evaluate the performance of the City Administrator and establish performance goals for the upcoming year.
- b. The City Council shall provide for an outside independent audit of the City's finances and financial management.

5. Compensation:

The Administrator shall receive the compensation as provided and directed by the governing body.

6. Severability:

It is hereby declared to be the intention of the City Council that the selections, paragraphs, sentences, clauses and phrases of this Ordinance are separable and if any phrase, clause, sentence, paragraph or section shall be declared unconstitutional or invalid by valid judgment or decree unconstitutional or invalid by valid judgment or decree of the court of competent jurisdiction, such unconstitutionality or validity shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance.

7. Repeal:

All Ordinances of the City prescribing duties of the other officers, heads of departments or employees shall remain in full force and effect except insofar as they conflict with the provisions of this Ordinance in which case this Ordinance shall govern.

PASSED, APPROVED and ADOPTED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS, this XXst day of Month, 2015.

Cheryl Landman, Mayor

ATTEST:

APPROVED AS TO FORM:

P. Abrego, City Secretary

Charles Zech, City Attorney