

City as An Employer: Workplace Issues

Human Resources Department

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January 22, 2015

Overview

- ❖ Pay
- ❖ Benefits
- ❖ Municipal Civil Service
- ❖ Youth and Veteran Employment and Services

PAY



Pay Goals and Challenges

External

- ❖ Provide competitive wages for all jobs in line with our target labor markets based on funding
- ❖ Recognize differences in labor markets for certain jobs, functions and/or departments
 - For example, utilize surveys including utilities and utility jobs for roles requiring utility-industry experience or only found within the industry (e.g., Supv, Power Control System, Meter Services Rep, etc.)
 - Support functions across organization (e.g., finance, information technology, human resources, office administration, customer service etc.)

Internal

- ❖ Internal Comparability: ensure similar jobs are paid equitably across the organization
- ❖ Provide living wage for lowest level position

Market Comparisons

FY 14

- ❖ 41% of non-sworn jobs were under market
- ❖ Austin Energy and Information Technology market studies

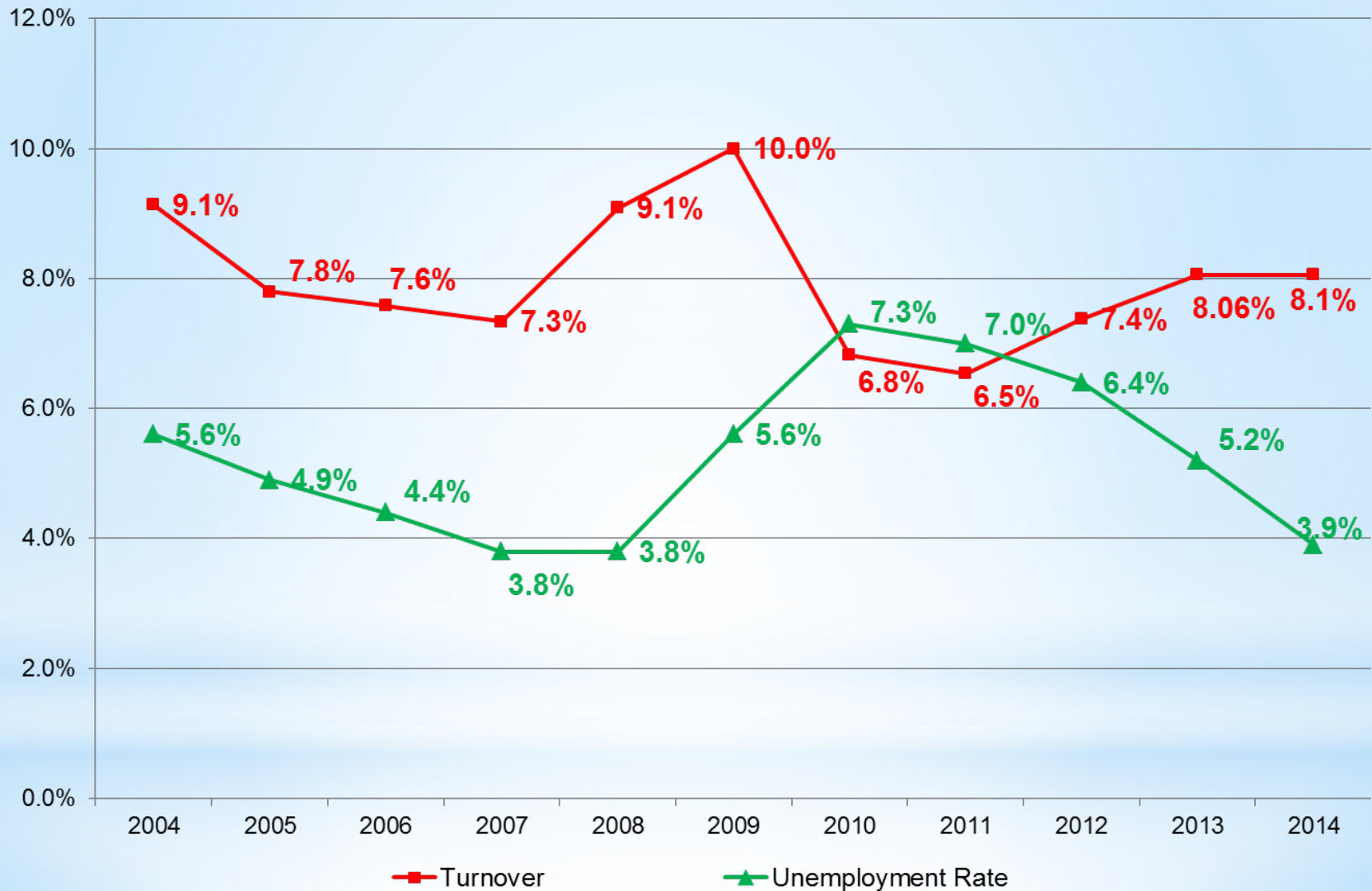
FY 15

- ❖ 3.5% across-the board increase
- ❖ 30% of non-sworn jobs currently under market
- ❖ 32% of non-sworn jobs currently above market
- ❖ All sworn positions above market

Salary History Non-Sworn

Fiscal Year	Base	Market
07-08	3.5% - 5%	1/3 Market
08-09	2.5%	
09-10	0.0%	
10-11	2.5%	
11-12	2.0%	2/3 Market
12-13	3.0%	
13-14	1.5% + \$750	AE/IT Market
14-15	3.5%	

Why Do We Need to Do More?



2014 employee survey indicated fewer than 50% of employees are satisfied with pay .

Large City Comparison

Dallas
4%

San Antonio
4%

Fort Worth
4%

El Paso
3.9%

Houston
3%

Large Cities Avg. FY '15 - 3.78%

Minimum/Living Wage

Agency	Current Wage	Future Wage
Federal	\$7.25	n/a
*Highest State Minimum	\$9.15	n/a
San Francisco	\$11.05	\$15.00 by 2018
Seattle	\$9.00	\$15.00 by 2017
Austin	\$11.39	n/a

* *More than half of all States have a higher minimum wage than the federal government*

Living Wage & Minimum Wage History

	Austin Living Wage	Federal Minimum Wage
October 1998	\$7.40	\$5.15
April 1999	\$8.00	\$5.15
October 2000	\$8.50	\$5.15
March 2001	\$9.00	\$5.15
January 2005	\$10.00	\$5.15
October 2005	\$10.90	\$5.15
October 2008	\$11.00	\$6.55
October 2014	\$11.39	\$7.25

Living Wage for City Employees

- ❖ Council Resolution No. 20140612-067 - Adopted June 12, 2014
 - Directed Staff to Conduct Study into Potential Changes to \$11.00 Living Wage
 - Living wage was increased from \$11.00 to \$11.39 for FY15
 - Amended living wage policy to automatically increase each fiscal by percentage consistent with the cost of living increases for non-sworn personnel
- ❖ Council Resolution No. 20141016-035 - Adopted October 16, 2014
 - Created Living Wage Stakeholder Group
 - Report Due by Stakeholders to City Council March 1, 2015
- ❖ Current Status
 - Two meetings held to date with 14 Stakeholder Groups
 - Next meeting scheduled for January 27, 2015



Living Wage Impact

- ❖ Addresses social welfare and affordability concerns
- ❖ Can cause pay compression issues for organizations when jobs being paid a “living wage” are part of a job family where pay rates are aligned to market

Living Wage for Contractors

❖ Living Wage vs. Prevailing Wage

- Chapter 2258 of the Texas Government Code requires that public works contractors pay their workers at least the prevailing wage for non-federally funded construction contracts
- The Davis-Bacon Act requires that contracts (construction and other) funded with federal dollars require payment of at least the prevailing wage

❖ Certain criteria must be met in order for Contractor to be required to pay living wage



BENEFITS



Employee Benefits Fund

❖ Offerings

- Self-funded medical plans for employees, retirees, and their dependents
- Dental programs, life insurance, short- and long-term disability programs, vision program, employee assistance program, wellness program, child care program, commuter program, and a prepaid legal program

❖ FY15 Funding

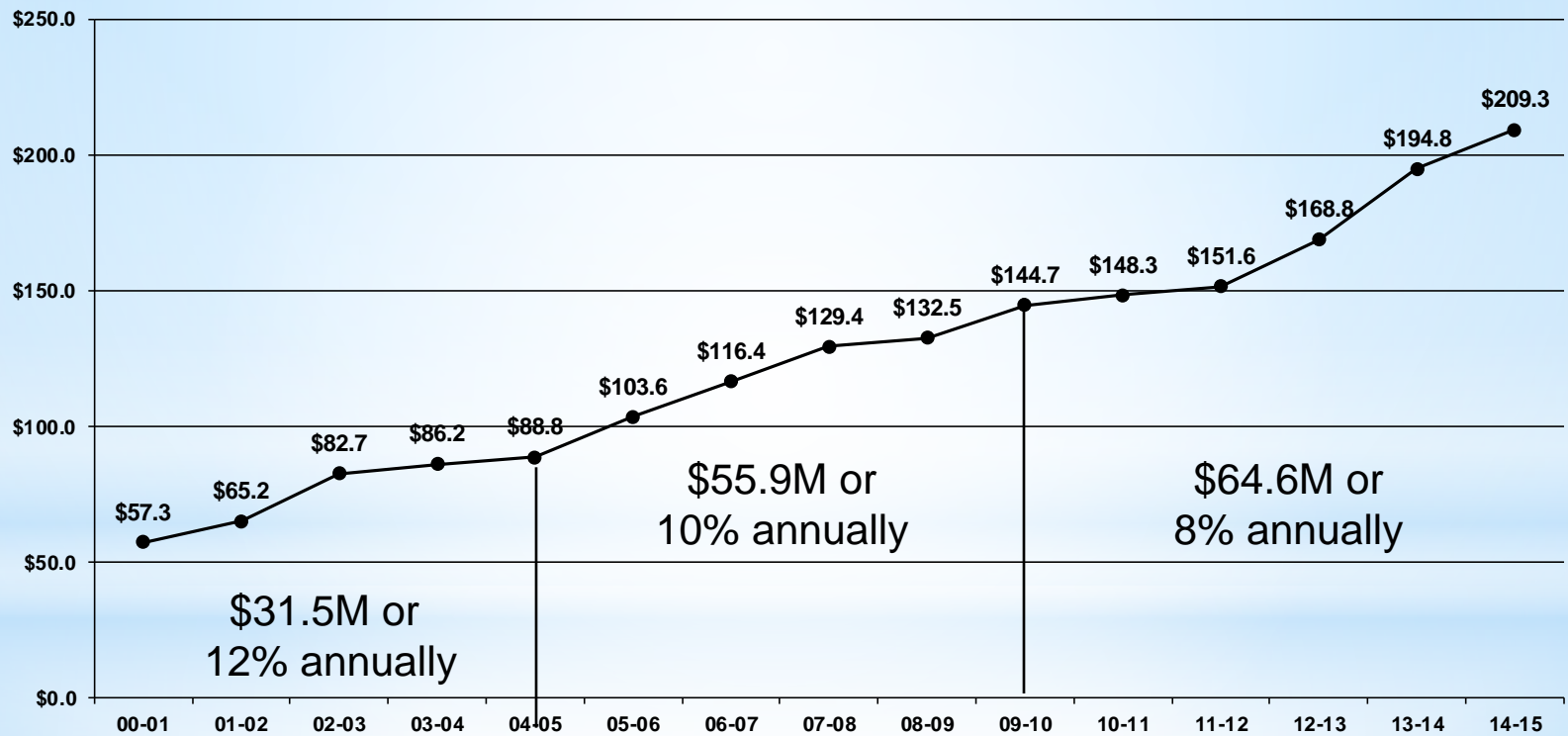
- Total Requirements: \$209.3 million
- City Contributions: \$147.5 million (\$11,731 per Budgeted FTE)

❖ City Continues to Invest in the Health of the Workforce

- Total benefits cost increases have averaged 8% over the past 5 years
- Affordable Care Act cost are averaging \$3.3 million for 2010-2021
- To mitigate cost and promote a healthy lifestyle, the City offers a wellness program to employees and retirees

Employee Benefits Fund

Total Spend (\$ millions)



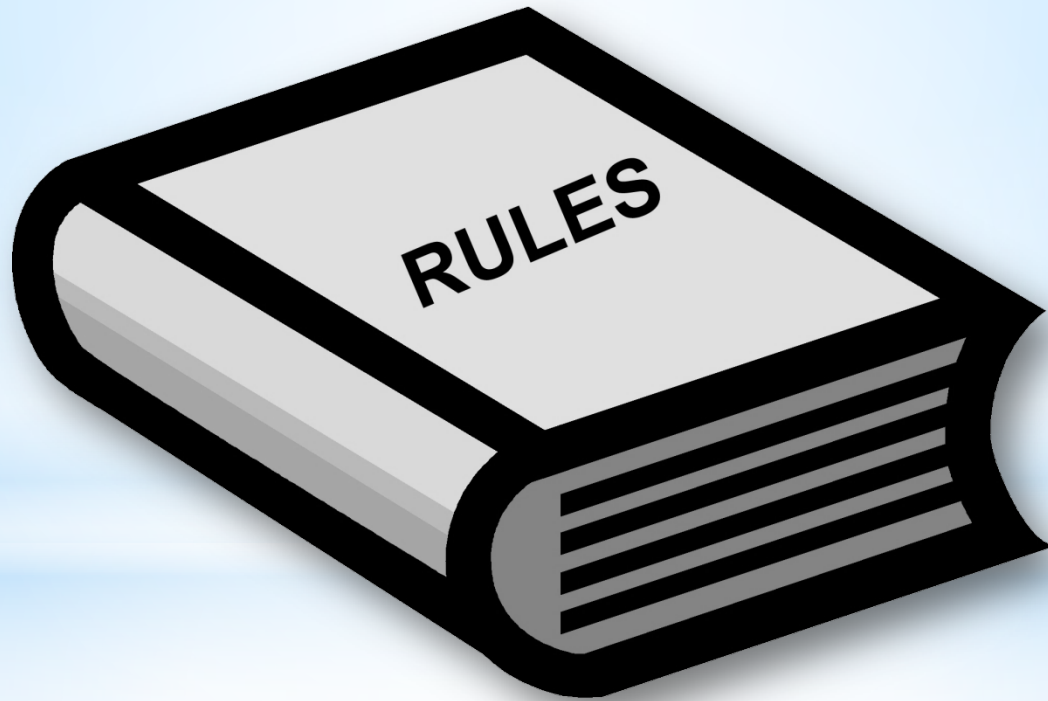
Covered Participants

- ❖ All employees in a regular budgeted position are eligible for City medical benefits
 - Full-time (30 hours or more): City pays 100% of premium for PPO
 - Part-time (20-29 hours): City pays 50% of premium for PPO
 - Part-time (less than 20 hours): City pays 0% of premiums
 - Almost 32,000 employees, retirees, and dependents are enrolled in the medical plans
 - Dependents: City pays approximately 50% of premium
- ❖ Temporary employees are not currently eligible for City medical benefits
 - The City is in compliance with the Affordable Care Act
- ❖ Adding coverage for temporary employees will increase City costs
 - Higher risk of adverse claims experience
 - Potentially adds 3,000 temporary employees based on FY14
 - 81 worked an average of 30 or more hours per week. Expected City cost to add coverage is \$1 million annually
 - Estimate to add coverage for the remaining temporary employees (averaging less than 30 hours/week) to be determined

Healthy Connections Wellness Program

- ❖ An award winning wellness program offering a wide range of activities to promote a healthy lifestyle and mitigate costs
 - Healthiest Employer in Central Texas Award, Austin Business Journal, 2nd Place
 - SALGBA Challenge Award
 - Fit Friendly Award, American Heart Association
 - Innovation Award for the PE Program, American Heart Association
- ❖ Designed to engage employees in activities that improve health and fitness
- ❖ Fosters a productive workforce and improves the quality of life for employees and their families
- ❖ Works to achieve a reduction in medical claims and more affordable healthcare for everyone
- ❖ The goal is to have 100% participation in health assessments

MUNICIPAL CIVIL SERVICE



Municipal Civil Service

The Rules cover all Employees, except those exempted by Charter.

Employee groups exempted:

- ❖ Members of City Council & direct staff
- ❖ Persons appointed by City Council
- ❖ City Manager, Assistant City Managers, Department Directors, Assistant Department Directors (Executives)
- ❖ City Attorney & all Assistant City Attorneys
- ❖ Temporary/Seasonal Employees
- ❖ Employees covered by State Civil Service (uniformed Public Safety)

Charter

MC Rules

**Personnel
Policies**

**Procedures/
Administrative
Bulletins/Work
Rules**

Municipal Civil Service

- ❖ Commissioners serve staggered terms with two expiring this May
- ❖ In August, 2014 the Commission made a recommendation to Council to compensate them in anticipation of a heavy hearing schedule
- ❖ Commission reviewing potential recommended changes for Appeal Hearings
- ❖ HR Director will provide Council a report on the efficacy of the rules



Talent Pipeline Programs



City Fellowship & Internship Programs - Colleges

- ❖ Management Fellowship Program
- ❖ ACC Internship Program Partnership
- ❖ Discipline-specific Internships (Engineering, IT, Library, Social Work, Human Resources, and others based on need)
- ❖ AmeriCorps VISTA

Youth Programs - High Schools

- ❖ Austin Youth Council
- ❖ AustinCorps
- ❖ Emerging Leaders Summer Internship
- ❖ Travis County Summer Youth Employment Program
 - 2015 S.T.E.A.M. Expansion (GetReady! Program)
- ❖ Parks and Recreation Summer Jobs
- ❖ Youth Career Fest - April 7, 2015

VETERANS



Veterans Services - Employees

❖ Veterans Office

❖ Veterans Commission

- Established by the Council in 2013

❖ Preferential Veteran Benefits

- Preference for hiring veterans who served in the U. S. Armed Forces and who were discharged honorably and to those currently serving in the Military.
- At least 20% of candidate pools will be made up of veterans when possible.



Veterans - Contracting

- ❖ Council Resolution No. 20121108-053 - Adopted in 2012
 - Directed staff to include veterans as a scope in the City of Austin's disparity study.



Summary

- ❖ Consider competitive pay at all levels during budget process
- ❖ Consider implications of benefit expansion as part of the budget process
- ❖ Continue to focus on Youth and Veteran programming