



Employee Total Compensation

The City of San Antonio strives to offer a competitive compensation and benefits plan to attract, retain and motivate our employees. On August 13, 2008, the FY 2009 Proposed Budget was presented to the City Council and included the City Manager's recommendation on adjustments to employee wages and benefits. City Council will vote on the final budget, including employee total compensation on September 11, 2008. Following are highlights of the proposed budget changes in support of our commitment to provide a total compensation package where employees are paid competitive market wages and share health care costs with the City.

Employee Wages

Pay Plan Implementation Phase II: The FY 2008 Adopted Budget included funding to implement a significantly revised Pay Plan that addressed market-competitiveness for all employees. For non-professional and non-managerial employees, a Step Plan was introduced in FY 2008, rewarding non-professional and non-managerial employees for the time they have served in their current jobs. On January 1, 2009, the City will implement Phase II of the Step Plan. *All employees in Pay Plans A and B with five to 9.99 years of service will be brought to midpoint of the pay range (Step 4 of 10 total steps). Additional salary adjustments will be made in FY 2010 and FY 2011, with all employees ending in their proper step by FY 2011.

Pay Plan Phases



Cost of Living Adjustment (COLA): The Proposed Budget includes a Cost of Living Adjustment in the amount of 3% for full-time and part-time employees, effective October 1, 2008. Funding for Cost of Living adjustments totals \$8.8 M in all funds, which includes \$4.4 million in the General Fund.

Living Wage: To continue the City's commitment to ensure that employees earn a Living Wage, the minimum hourly rate for all full-time and part-time City positions is proposed to increase from \$9.93 per hour to \$10.19 per hour, effective October 1, 2008.

Performance Pay: Funding in the amount of \$2.7 million in all funds (includes \$1.3 million in the General Fund) is proposed to provide performance pay increases to professional, managerial, and executive employees in January 2009.

Shift Differential: The Proposed Budget provides an increase to the differentials paid to employees working evening and night shifts. Evening shifts will increase from \$0.20 to \$0.50 per hour. Night shifts will increase from \$0.40 to \$1.00 per hour.

Holiday Pay: All civilian, non-exempt employees with a schedule that includes work on a City-recognized holiday will now be compensated at one and a half times their base salary rate for working a holiday.

**Peace Officers covered by Meet and Confer should refer to the current agreement on the COSAweb for their pay plan implementation schedule.*

Let's Talk About...



Pay Plan Recap

The City's Pay Plan was revised in FY 2008. The Pay Plan consists of five separate pay structures based on EEO category. To find the EEO Category for your job classification, refer to your job description at <https://ww4.sanantonio.gov/hrjobdescr/jobs/search.aspx>.

Pay Plan Type	STEP PLAN		OPEN-RANGE	BROADBAND	
	Pay Plan A	Pay Plan B	Pay Plan C	Pay Plan D	Pay Plan E
EEO Categories	Skilled Craft, Service Maintenance	Office Clerical, Para-Professional, Technicians, Protective Services	Professional	Managerial	Executive

Step Plan: Rewards employees for tenure in a position; employees receive pay increases as they move to each step.

Open-Range: Provides a minimum and maximum rate of pay for each job classification, but does not include structured guidelines for employee progression through the range.

Broadband: Provides wide salary ranges for job classifications.

Step Plan Overview

The Step Plan for non-professional and non-managerial employees (Pay Plan A and Pay Plan B) establishes a step-based system that rewards employees for the time they have served in their current jobs. Each year of service an employee has in their job would equate to a step in the employee's range with each range comprised of ten steps. The illustration below shows the amount of increase an employee would get based on his/her years of service on the job.

- Each range has 10 steps.
- Employees move through the range one step each year.
- Midpoint of range is at step 4.
- Market pay is represented at step 5.
- Employees reach market after 5 years of service.
- Employees would receive a Cost of Living Adjustment each year in addition to step movement.
- Employees reach their maximum step after 10 years of service.
- Employees at the maximum of the range will only receive wage increases as the range is adjusted yearly.

Steps and Years of Service	0	1	2	3	4	5	6	7	8	9	10
Step % Increase		4%	4%	4%	4%	3%	3%	3%	2%	2%	2%
*COLA		3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Total % Increase		7%	7%	7%	7%	6%	6%	6%	5%	5%	5%

*Subject to City Council Approval.

On January 1, 2009, the City will implement Phase II of the Step Plan. All employees in Pay Plans A and B with five to 9.99 years will be brought to midpoint of the pay range (Step 4 of 10 total steps). The Proposed Budget changes in FY 2009 would also increase the ranges by 3%, the amount of the proposed Cost of Living Adjustment.

Let's Talk About...

Health Care Benefits

The proposed health care plan options for employees include the existing three PPO medical plans which offer employees a choice of deductible, co-insurance and co-payment levels along with a new Exclusive Provider Organization (EPO) plan which features a premium and co-pay only payment structure. A \$0 premium plan continues to be available to employees under the Value PPO employee-only medical plan option. The proposed benefit plan options become effective on January 1, 2009.

The City will continue to reach an overall health care contribution of 80% with the balance (20%) paid by employees. Cost-sharing for all health care plan options is proposed for FY 2009 at 82% / 18%, with the City funding 82% of the total cost. For all employees hired after January 1, 2009, the cost sharing will be 70% / 30%.

Health Care Plans and Premiums

- **Value PPO Plan:** Offers a slightly lower level of coverage for a lower employee premium cost. The Value PPO employee-only option is offered with no premium.
- **Standard PPO Plan:** Offers mid-range premiums for standard benefit levels with a combination of co-payments, deductibles and co-insurance levels.
- **Premier PPO Plan:** Offers employees higher level of benefits for a higher premium cost.
- **EPO Plan:** Offers a new medical plan option designed for employees willing to pay increased premiums in exchange for limited out-of-pocket costs to include co-pay amounts only paid at point of service. There are no out-of-network providers available with this plan.

Definitions

Co-Insurance: Percentage of the total health care cost the City and you will pay after you have met the deductible.

Co-pay: Amount of money you must pay each time you receive service.

Deductible: Amount you pay for covered expenses in the plan before the plan begins to pay benefits.

Out-of-Pocket Maximum: Most you will pay for covered health care expenses during a calendar year; once reached, the plan pays 100% of covered charges.

PPO: Preferred Provider Organization – Group of physicians and health care providers who arrange with the City to provide services on a discount basis. The PPO plan covers both in-network and out-of-network benefits, with in-network benefits covered at a higher percentage.

EPO: Exclusive Provider Organization – Provides same benefit types as a PPO but includes co-pays only and there are no out-of-network options.

82% / 18% Monthly Premiums

(Would apply to current employees)

	Value PPO	Standard PPO	Premier PPO	EPO
Employee Only	\$0	\$23	\$72	\$111
Employee+Child	\$18	\$58	\$144	\$212
Employee+Spouse	\$72	\$117	\$216	\$294
Employee+Family	\$92	\$154	\$289	\$396

70% / 30% Monthly Premiums

(Would apply to employees hired after January 1, 2009)

	Value PPO	Standard PPO	Premier PPO	EPO
Employee Only	\$0	\$45	\$94	\$133
Employee+Child	\$83	\$111	\$197	\$265
Employee+Spouse	\$192	\$225	\$323	\$401
Employee+Family	\$250	\$295	\$430	\$537

Proposed Coverage Levels

Network Options	UHC Network or Non-Network	UHC Network or Non-Network	UHC Network or Non-Network	UHC Network Only
	Value PPO	Standard PPO	Premier PPO	EPO
Office Visit Co-pay	\$25	\$20	\$15	\$15
Emergency Room Co-pay	20% after deductible	20% after deductible	10% after deductible	\$100
Deductible	\$750 / \$1,500	\$500 / \$1,000	\$250 / \$500	None
Co-Insurance	20%	20%	10%	None
Annual Out-of-Pocket Maximum (Excludes Deductible)	\$2,500	\$2,000	\$1,000	Unlimited
Lifetime Maximum Benefit	\$5 million	\$5 million	\$10 million	\$10 million

Let's Talk About...

Increased Focus on Employee Wellness

Employee Wellness Program

The City has developed a comprehensive Employee Wellness Strategic Plan designed to address rising healthcare costs, while improving the health, morale and productivity of the City Workforce. The FY 2009 Proposed Budget supports the strategic plan by expanding wellness benefits including:

- Introduced on August 1 an *Employee Health and Wellness Center* available exclusively to City employees to improve and maintain their health; the Center is operated by Gonzaba Medical Group and provides services for minor illnesses or injuries, on-the-job injuries, preventive care and screenings, and a Wellness Library.
- Implementation of an expanded disease management program through UnitedHealthcare, targeting employees at high risk of complications related to Coronary Artery Disease, Diabetes, and Congestive Heart Failure.
- Introduction of a Wellness Incentive Program designed to move employees toward health milestones through incentive contributions to Flexible Spending Accounts.
- Installation of ten health station kiosks in City work locations, where employees can monitor health biometrics, which can be individually uploaded to the member's UnitedHealthcare online health record.

Net Impact to Employee Total Compensation

The changes to Employee Total Compensation included in the FY 2009 Proposed Budget will not cause any employee to have a net decrease in pay assuming there are no additional changes in his/her current position or medical plan selection. The average net increase for all COSA employees after premium increases is \$1,799 or 4.84%. Wage and benefit statements will be forthcoming and will provide employees with individualized information on wage and benefits.

Open Enrollment Communication Plan

To assist employees in selecting the best plan option, the Human Resources Department will provide targeted Open Enrollment services. Open Enrollment meetings/presentations will be held at each individual department (number of meetings and locations will vary by department) with Benefits staff, Human Resources Generalists and Human Resources Specialists. Adequate time will be allotted for questions and presentation of the details of each plan, as well as other benefit options available to employees (e.g., Flexible Spending Accounts). It will be important at this time for employees to make the plan selection that best suits their needs.

Next Steps

- Individualized wage and benefit statements—Week of August 25, 2008
- City Council Budget Work Session on employee compensation and benefits—September 9, 2008*
- Budget adoption—September 11, 2008
- Start of FY 2009 Fiscal Year—October 1, 2008
- Employee Benefits open enrollment—October 15 to November 14, 2008
- Start of Benefits Plan Year—January 1, 2009

*Date subject to change.

Any questions regarding the information provided in this edition of *Let's Talk About* or about employee wages and benefits should be directed to your Human Resources Generalist.