



BROWNSVILLE
PUBLIC UTILITIES BOARD

COMPENSATION COMMITTEE MEETING



Monday, April 28, 2025



BROWNSVILLE
PUBLIC UTILITIES BOARD


Call Open Meeting To Order



BROWNSVILLE
PUBLIC UTILITIES BOARD

Public Comments

Items For Presentation and Discussion

1. Presentation and Discussion of Proposed Changes to the Job Description for the General Manager and Chief Executive Officer- Jose Paredes
 2. Presentation and Discussion of the Proposed Implementation of Merit Adjustments for FY 2025 - Sergio Delgadillo
 3. Presentation and Discussion of the 2025 Internal Market Study and Its Preliminary Findings - Sergio Delgadillo
 4. Presentation and Discussion of a Proposed Inflationary Adjustment for the FY 2026 Budget - Sergio Delgadillo
 5. Discussion and/or Requests for Future Agenda Items
- 



BROWNSVILLE
PUBLIC UTILITIES BOARD

General Manager & CEO Job Description - Update

PRESENTATION AND DISCUSSION OF PROPOSED CHANGES TO THE JOB
DESCRIPTION FOR THE GENERAL MANAGER AND CHIEF EXECUTIVE OFFICER

● ● ● COMPENSATION COMMITTEE MEETING | April 28, 2025

Joe Paredes

Talent Acquisition & Staffing Manager


Talent Acquisition & Staffing Department



Current Job Description

- The General Manager & Chief Executive Officer's job description's purpose is to establish clear expectations for the organization's leader
 - It Defines:
 - Strategic Responsibilities
 - Decision-Making Authority
 - Accountability Measures
 - Outlines Qualifications
- It is a crucial document for aligning leadership with organizational priorities
- Last revised & signed by the Board Chair on September 23, 2016

Proposed Changes

- **Modernized Language:** Revised content to align with company-standard terminology, ensuring clarity and professionalism
 - **Enhanced Formatting:** Streamlined the layout for improved readability and consistency with company-approved formats
 - **Policy Compliance:** Incorporated updates to reflect the latest organizational standards, ensuring full alignment with current policies
 - **Consistency Across Roles:** Updated phrasing and structure to match standard practices used in other job descriptions for uniformity
 - **Refined Job Duties:** Reformulated responsibilities for a better alignment of duties
- 



BROWNSVILLE
PUBLIC UTILITIES BOARD

Merit Adjustment

PRESENTATION AND DISCUSSION OF THE PROPOSED
IMPLEMENTATION OF MERIT ADJUSTMENTS FOR FY 2025

● ● ● COMPENSATION COMMITTEE MEETING | APRIL 28, 2025

Sergio Delgadillo

Senior Compensation and Benefits Manager

Compensation and Benefits Department

Background

Personnel Policies and Procedures Policy No. 7 - Performance Appraisal Policy

- Last revised on December 15, 2020
- Aims to maintain and improve employees' performance in line with the BPUB's objectives.
- Following the performance review, recommend compensation increases within an established pay grade, according to financial availability.

Compensation Committee Charter

- Oversight responsibilities related to compensation and benefits of BPUB employees
 1. A budget for performance-based (merit pay) employee compensation, which is adequate to attract, develop and retain a skilled and knowledgeable workforce.

Merit Program

Adopted to enhance employee engagement and retention by providing financial rewards based on individual performance.

Designed to motivate top performers and foster a culture of continuous improvement

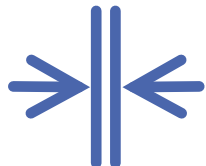
Key Objectives



Employee Engagement



Transparency and Trust



Create Alignment with Strategic Objectives and Values

Merit Program



Merit compensation is based on exceeding performance expectations.



Merit compensation is an approved and funded program in the Fiscal Year 2025 budget.




Merit compensation is determined by individual appraisals that evaluate performance for the previous fiscal year (2024).



Merit compensation is implemented as an increase to employees' hourly pay.

Merit Implementation

Eligibility Criteria

1. Employees hired on or before 6 months to the end of a Fiscal Year, and continuously employed in a Regular or Limited-Term BPUB classification.
 2. Employees must not hold a director or executive officer title.
 3. Employees must have a current performance evaluation (corresponding to the fiscal year appraised) and must have exceed performance expectations (excellence measure)
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Performance Appraisal (Excellence Measure)

Non-Management Form

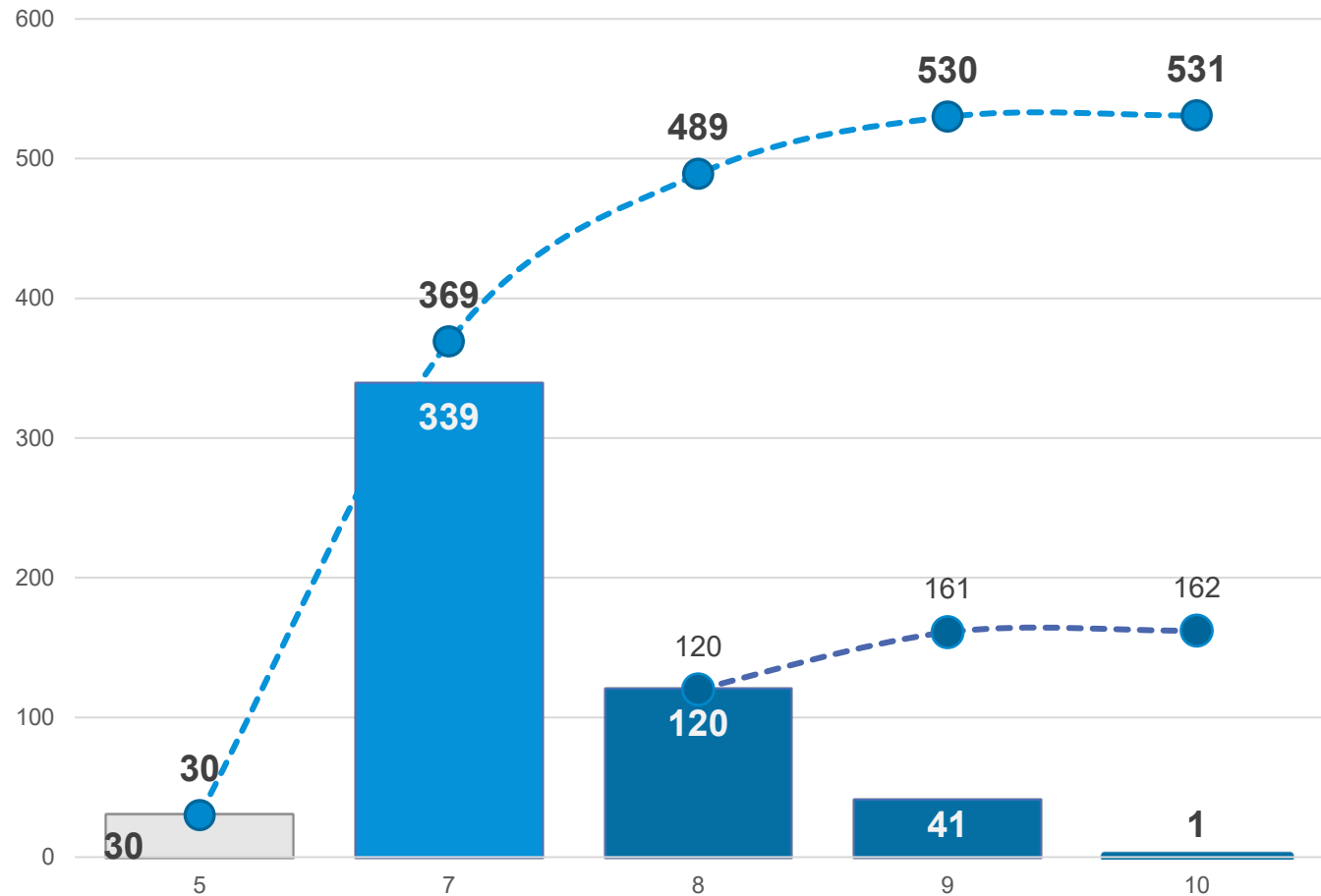
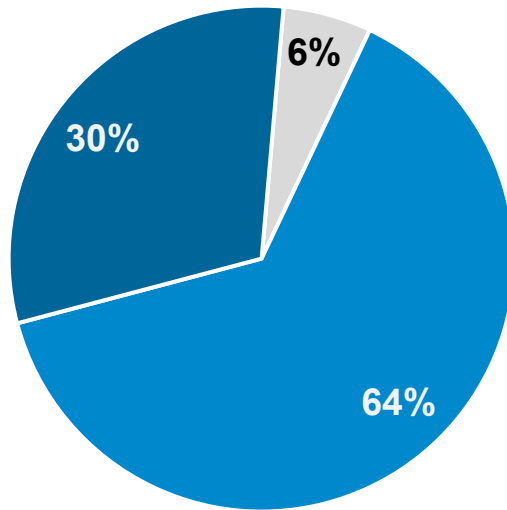
Core Competencies Functional Areas				
Areas	Rated ME (7.0)	Rated EE (10.0)	Total Points	Scores
12	12	0	84	7.00
12	11	1	87	7.25
12	10	2	90	7.50
12	9	3	93	7.75
12	8	4	96	8.00
12	7	5	99	8.25
12	6	6	102	8.50
12	5	7	105	8.75
12	4	8	108	9.00
12	3	9	111	9.25
12	2	10	114	9.50
12	1	11	117	9.75
12	0	12	120	10.00

Management Form

Core Competencies Functional Areas				
Areas	Rated ME (7.0)	Rated EE (10.0)	Total Points	Scores
18	18	0	126	7.00
18	17	1	129	7.17
18	16	2	132	7.33
18	15	3	135	7.50
18	14	4	138	7.67
18	13	5	141	7.83
18	12	6	144	8.00
18	11	7	147	8.17
18	10	8	150	8.33
18	9	9	153	8.50
18	8	10	156	8.67
18	7	11	159	8.83
18	6	12	162	9.00
18	5	13	165	9.17
18	4	14	168	9.33
18	3	15	171	9.50
18	2	16	174	9.67
18	1	17	177	9.83
18	0	18	180	10.00

Performance Appraisal Scores

Range	Emp	%
5.00 to 6.99	30	5.7%
7.00 to 7.99	339	63.8%
8.00 to 10.00	162	30.5%



Methodology

The percentage increase for each employee will be proportionally determined based on their score and the merit distribution scale.

The highest-performing employees will receive the maximum pay adjustment, while those meeting the excellence measure with a score of 8 will receive a 2% pay adjustment.

1. Merit distribution scale from 8 to 10
2. Excellence performance score set at 8
3. Merit increase minimum 2.0% - maximum 6.0%

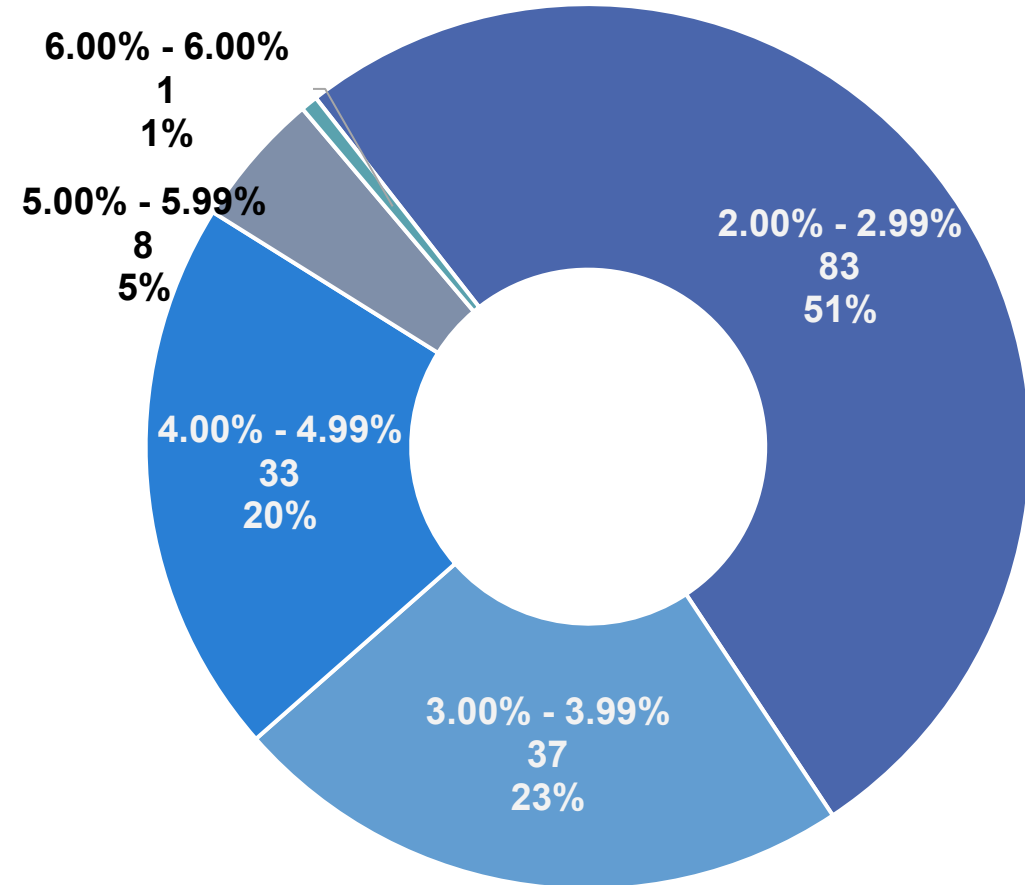
Merit Distribution Scale



Score	Pay Adjustment
8.00 to 8.24	2.00% to 2.49%
8.25 to 8.49	2.50% to 2.99%
8.50 to 8.74	3.00% to 3.49%
8.75 to 8.99	3.50% to 3.99%
9.00 to 9.24	4.00% to 4.49%
9.25 to 9.49	4.50% to 4.99%
9.50 to 9.74	5.00% to 5.49%
9.75 to 9.99	5.50% to 5.99%
10.00	6.00%

Merit Implementation Results

Merit Range	Employees	Hourly Increase	
		Min	Max
2.00% - 2.99%	83	\$0.34	\$1.60
3.00% - 3.99%	37	\$0.67	\$2.36
4.00% - 4.99%	33	\$0.79	\$2.42
5.00% - 5.99%	8	\$1.16	\$2.94
6.00% - 6.99%	1	\$1.54	\$1.54
162			



Merit Implementation Results

Division/Office	Emp. Total	Emp. w/Merit	Total Merit	Merit Budget %
General Manager Area	2	2	\$3,950	1%
Operations Area	339	80	\$237,212	50%
Finance Area	97	36	\$112,117	24%
Administrative Area	80	38	\$101,075	21%
Legal Area	13	6	\$17,732	4%
	531	162	\$472,086	0%

Q & A



2025 Internal Market Study

PRESENTATION AND DISCUSSION OF THE 2025 INTERNAL MARKET STUDY AND ITS PRELIMINARY FINDINGS

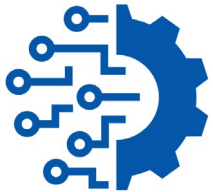
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Sergio Delgadillo

Senior Compensation and Benefits Manager

Compensation and Benefits Department

Key Elements Influencing Job Market



Impact of Technology: Rapid technological advancements are reshaping the job market, creating new roles that require specialized skills.



Energy Demand Growth: The increasing demand for energy is driving the need for skilled professionals in energy systems operations.



SCADA and Compliance: Supervisory Control and Data Acquisition (SCADA) systems play a crucial role in monitoring and compliance within energy operations.



Talent Competition: With increased competition for talent, companies are actively reaching out skilled professionals, leading to higher turnover rates.

Internal Market Study

Benchmarking Tool: Method used to compare an organization's pay rates and benefits against those offered by other companies in the same industry and or geographic area.

Data Collection and Analysis: on salaries, benefits, and other compensation elements, and analyzing this data to identify trends and standards.

Strategic Decision-Making: The insights gained help organizations make informed decisions about compensation strategies, ensuring they remain competitive and fair in the job market.

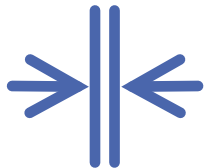
Importance of Market Study



Competitive Compensation Package



Equity in Compensation



Strategic Alignment



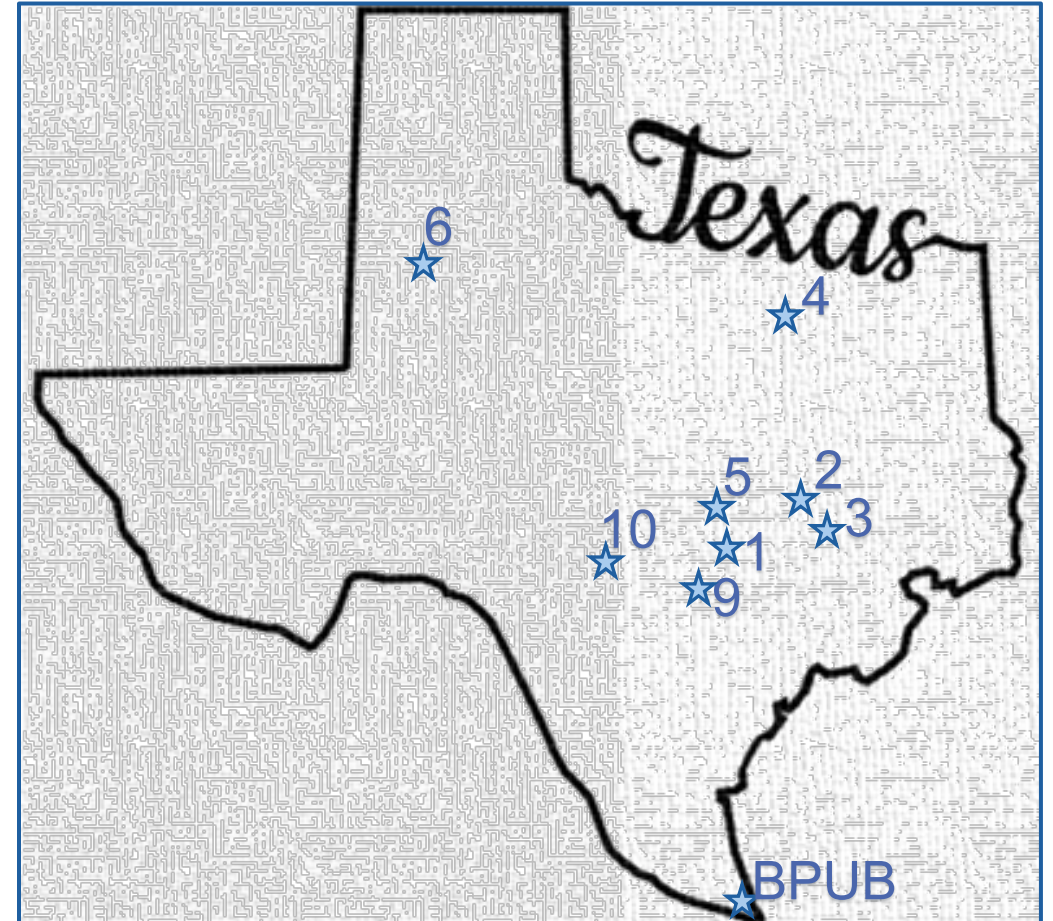
Attracting and Retaining Top Talent

Target Job Functions

1. Linework
2. Energy Systems Operations
3. Supervisory Control and Data Acquisition (SCADA)
4. NERC Compliance
5. Information Technology

Benchmarks

1. ★ Austin Texas (Austin Energy)
2. ★ Bryan, Texas (BTU)
3. ★ City of College Station
4. ★ City of Garland, Texas
5. ★ City of Georgetown, Texas
6. ★ City of Lubbock (Lubbock Power and Light)
7. City of San Antonio (CPS Energy)
8. Denton Municipal Electric
9. ★ New Braunfels Utilities
10. ★ Kerrville Public Utility Board
11. American Electric Power (private)
12. CenterPoint Energy (private)



Preliminary Findings

Compensation Structure

Pay Structure:

Most utilities, including BPUB, use a tiered pay structure based on experience, skills, and tenure.

Pay Review Frequency:

Pay is generally reviewed annually and adjusted considering performance, tenure, and inflation rates

83% of respondents.

BPUB does not have a fixed calendar for pay reviews.

Certification Pay:

Certification pay is offered by **50% of respondents**; 33% elected other options, and 17% are promoted when there are vacancies.

BPUB does not have certification pay.



Preliminary Findings

Compensation Structure

Longevity Pay:

Longevity pay is offered by **50% of respondents**.

BPUB does not offer longevity pay.

Incentive Pay Annual Program (IPAP):

Not offered by **83% of respondents**; BPUB does not have an IPAP.

Merit Program for Hourly Rate Increases:

Performance-based merit hourly rate increase programs are offered by **60% of respondents**.



Preliminary Findings

Compensation Structure

Promotion or Career Advancement Policy and Process:

Career advancement is competitive, either through progression or job application by **50% of respondents**; 33% elected other, and 17% link to a performance review

Internal candidates are given preference for promotions before considering external talent by **33% of respondents**; Program-based internal advancement but are open to external candidates for key roles **by 33% of respondents**; Internal candidates compete with external talent every time by **17% of respondents**, same as BPUB; **17% elected other**

Filling Vacancies:

Most utilities fill vacancies through a combination of internal and external hiring (**50% of respondents**). Same as BPUB

Preliminary Findings

Benefits - Health Insurance

Utility	Health Employee (Employer paid)	Health Dependents (Employer Paid)	Is more than one plan offered?
BPUB	100%	60%	NO
Kerrville (KPUB)	100%	25%	YES
Lubbock (LP&L)	96%	72%	No
Bryan (BTU)	94%	71%	YES
New Braunfels NBU	70%	70%	YES
Austin Energy	VARIES	VARIES	YES
Georgetown	88-97%	63-93%	YES

Preliminary Findings

Benefits - Dental Insurance

Utility	Dental Employee (Employer paid)	Dental Dependents (Employer Paid)	Is more than one plan offered?
College Station	100%	100%	NO
BPUB	100%	38%	NO
Kerrville (KPUB)	100%	25%	NO
Bryan (BTU)	94%	71%	NO
Georgetown	93%	56-73	NO
Lubbock (LP&L)	75%	45%	NO
New Braunfels NBU	\$10	\$10	NO
Austin Energy	VARIES	VARIES	YES

Preliminary Findings

Benefits – Supplemental Insurance

Utility	Long- Term Disability- Employer Paid	Short Term Disability - Employer Paid	Basic Life Insurance - Employer Paid	Voluntary Life Insurance - Employer Paid	Vision - Employer Paid	Critical Illness or Cancer- Employer Paid
BPUB	YES	NO	YES	NO	NO	NO
Bryan (BTU)	YES	NO	YES	NO	NO	NO
Denton	YES	NO	YES		NO	NO
Kerrville (KPUB)	YES	YES	YES	NO	YES	NO
New Braunfels NBU	YES	YES	YES	NO	NO	NO
Garland	YES	YES	YES	NO		NO
Georgetown	YES	NO	YES	NO	NO	NO
Lubbock (LP&L)	NO	YES	No	NO	NO	NO
College Station	NO	NO	YES	NO	NO	NO
Austin Energy	NO	YES	YES	NO	NO	NO

Preliminary Findings

Benefits – Retirement

Utility	Does the utility offer a retirement plan?	Retirement Plan employees contribution rate	Retirement Plan employer matching rate	Retirement Plans other available for employees, example a 457-B?	Retirement Plans other offers a matching rate, if yes what rate?
BPUB	YES	7%	200%	YES	NO
Austin Energy	YES	10%	100%	YES	NO
Denton	YES	7%	200%	YES	NO
Garland	YES	7%	200%	YES	NO
Kerrville (KPUB)	YES	7%	200%	YES	NO
Bryan (BTU)	YES	7%	200%	NO	NO
College Station	YES	7%	200%	NO	
Lubbock (LP&L)	YES	7%	200%	NO	
New Braunfels NBU	YES	7%	200%	NO	
Georgetown	YES	7%	171%	NO	

Preliminary Findings

Employee Benefits – Annual Leave Days

Utility	Sick Leave	Sick Carried Over?	Vacation Leave	Vacation Carried Over?	Holidays Leave	PTO Days	Funeral Leave	Other Days per Year	Min Hrs.	Max Hrs.
BPUB	15	180	15-18	20	15	0	3	5 - VTO	45	48
New Braunfels NBU	12	60	15	50	15	3	3	0	42	
Austin Energy	12	ALL	13-23	50	16	0	ND	0	41	51
Kerrville (KPUB)	8	96	25	25	8	1 FH	5	0	41	
Bryan (BTU)	10	120	20	20	10	0	ND	ND	40	
Georgetown	12	30	12	7	13	0	0	0	37	
Lubbock (LP&L)	15	200	10	10	11	0	3	0	36	
College Station	12	12	10-20	20	12	0	3	0	34	44
Denton	11.25	ND	11.25	ND	13	0	5	+4-Hrs./Yr. worked past the 5th year	35.5	+10-20 days

Preliminary Findings

Employee Benefits – Professional Development

Utility	Undergraduate Education Rate	Graduate Education Rate	Professional Certification Rate	Is a retention agreement required?
BPUB	60%	NOT Covered	100%	YES
New Braunfels NBU	\$5,000	\$5,000	NO	NO
Lubbock (LP&L)	100%	100%	100%	YES
Kerrville (KPUB)	100%	100%	100%	NO
Georgetown	\$5000/FY	\$5000/FY	NO	YES
College Station	\$1,000/SEMESTER	\$1,000/SEMESTER	NO	YES
Bryan (BTU)	\$1,500/SEMESTER	\$1,500/SEMESTER	YES	YES
Denton	100%	100%	100%	YES

Preliminary Findings

Employee Benefits – Working Conditions

Utility	On-call duties - Additional pay offered	Standby duties - Additional pay offered	Shift Work - Additional pay offered	Hazardous Work - Additional pay offered
BPUB	YES	NO	NO	NO
Austin Energy	YES	YES	YES	
New Braunfels NBU*	YES	YES	YES	NO
Lubbock (LP&L)	NO	NO	YES	NO
Kerrville (KPUB)*	YES	YES	NO	NO
Georgetown	NO	YES	NO	NO
College Station	YES		YES	
Bryan (BTU)		YES		

Preliminary Findings

Compensation – Benchmarks

Function	Job Titles	Good Benchmarks	
		Job Titles	Total
Linework	7	7	34
Energy Systems Operations	6	4	15
NERC Compliance	6	3	7
SCADA	8	6	16
Information Technology	14	6	21

Preliminary Findings

Compensation – Market Gap (***) No*** Cost of living index adjustment)

Function	Benchmarks	Mkt Avg Mid	Mkt Actual Avg	BPUB-Mid	BPUB Actual Avg	Mrk Actual vs. Mkt Mid	BPUB Mid vs. Mkt Mid		BPUB Actual vs. Mrk Actual	
Linework	34	\$87,942	\$87,782	\$80,204	\$74,100	100%	91%	-9%	84%	-16%
Energy Systems Operations	15	\$119,375	\$126,247	\$99,152	\$107,057	106%	83%	-17%	85%	-15%
NERC Compliance.	7	\$122,576	\$126,791	\$101,816	\$100,535	103%	83%	-17%	79%	-21%
SCADA	16	\$109,491	\$109,212	\$84,310	\$87,757	100%	77%	-23%	80%	-20%
Information Technology.	21	\$106,109	\$109,544	\$96,869	\$89,693	103%	91%	-9%	82%	-18%
Grand Total	93	\$103,428	\$105,523	\$89,356	\$87,171	102%	85%	-15%	82%	-18%

Preliminary Findings

Compensation – Requirements (***) No*** Cost of living index adjustment)

Function	Total Compensation	Incumbents	BPUB Mid vs. Mkt Mid		BPUB Actual vs. Mrk Actual		Overall Implementation Cost	AVG per Incumbent
Linework	\$3,699,342	56	91%	-9%	84%	-16%	\$683,046	\$12,197
Energy Systems Operations	\$1,271,754	12	83%	-17%	85%	-15%	\$227,959	\$18,997
NERC Compliance	\$287,851	3	83%	-17%	79%	-21%	\$75,174	\$25,058
SCADA	\$328,702	4	77%	-23%	82%	-18%	\$71,646	\$17,911
Information Technology	\$610,189	7	91%	-9%	82%	-18%	\$135,048	\$19,293
Grand Total	\$6,197,838	82	85%	-15%	82%	-18%	\$1,192,873	\$14,547

Preliminary Findings

Compensation – Market Gap (Cost of living index *adjusted*)

Function	Benchmarks	Mkt Avg Mid	Mkt Actual Avg	BPUB-Mid	BPUB Actual Avg	Mrk Actual vs. Mkt Mid	BPUB Mid vs. Mkt Mid		BPUB Actual vs. Mrk Actual	
Linework	34	\$78,000	\$77,691	\$80,204	\$74,100	99.6%	103%	2.8%	95%	-5%
Energy Systems Operations	15	\$104,223	\$109,643	\$99,152	\$107,057	105.2%	95%	-4.9%	98%	-2%
NERC Compliance	7	\$108,354	\$110,813	\$101,816	\$100,535	102.3%	94%	-6.0%	91%	-9%
SCADA	16	\$96,585	\$93,850	\$84,691	\$87,757	97.2%	88%	-12.3%	94%	-6%
Information Technology	21	\$92,994	\$95,348	\$96,869	\$89,693	102.5%	104%	4.2%	94%	-6%
Grand Total	93	\$103,428	\$105,523	\$89,356	\$87,171	101.4%	97%	-3%	94%	-6%

Preliminary Findings

Compensation – Requirements (Cost of living index *adjusted*)

Function	Total Compensation	Incumbents	BPUB Mid vs. Mkt Mid		BPUB Actual vs. Mrk Actual		Overall Implementation Cost	AVG per Incumbent
Linework	\$3,699,342	56	103%	3%	95%	-5%	\$179,234	\$3,201
Energy Systems Operations	\$1,271,754	12	95%	-5%	98%	-2%	\$30,718	\$2,560
NERC Compliance	\$287,851	3	94%	-6%	91%	-9%	\$29,426	\$9,809
SCADA	\$328,702	4	88%	-12%	94%	-6%	\$22,822	\$5,706
Information Technology	\$610,189	7	104%	4%	94%	-6%	\$38,472	\$5,496
Grand Total	\$6,197,838	82	97%	-3%	94%	-6%	\$300,672	\$3,667

Preliminary Findings

Conclusions



Competitive Compensation Package:

BPUB's compensation package remains competitive compared to benchmark utilities, may be improved to remain relevant.



Employee Engagement:

Utilities are enhancing the engagement of tenured employees through compensation, employee development, and recognition initiatives. While BPUB has similar policies, they are not aligned with the market.



Revision of Working Conditions Policies:

Hours of work policies need to be revised to revisit ON-CALL, STANDBY, and SHIFT WORK, by establish safe operational limits and assess financial capacity for compensation.

Preliminary Findings

Conclusions



Market Study Schedule:

Key functions should be included in a recurring 12 to 18 months Market Study schedule, with a parallel rolling schedule for all positions.



Market Gap:

There is an evident market gap that needs to be addressed.



Final Review and Implementation:

As the final review is completed, pending clarification from benchmarks and an internal equity review, an implementation budget will be required either to close the gap in a one-time move or phased approach.

Q & A



Inflationary Adjustment

PRESENTATION AND DISCUSSION OF A PROPOSED
INFLATIONARY ADJUSTMENT FOR THE FY 2026 BUDGET

● ● ● COMPENSATION COMMITTEE MEETING | APRIL 28, 2025

Sergio Delgadillo

Senior Compensation & Benefits Manager

Compensation & Benefits Department

News Release

Congressional Budget Office: The Long-Term Budget Outlook: 2025 to 2055

In CBO's projections, CPI-U inflation averages **2.3 percent per year over** the 2025–2055 period. That average rate is consistent with the relationship between the CPI-U and the PCE price index during the two decades before the coronavirus pandemic, when CPI-U inflation was 0.3 percentage points higher than PCE inflation, on average. CBO projects that **CPI-U inflation will resume that relationship in 2026 and maintain it for the rest of the 30-year projection period.**

SHRM NEWS: Inflation Rises Higher Than Expected in January - *February 12, 2025*

A recent SHRM pulse survey of 1,071 U.S.-based workers found that nearly half of U.S. workers (43%) said inflation had an extreme or significant impact on their personal financial situation. That SHRM data also found that 36% of U.S. workers were confident their employer would offer fair cost-of-living adjustments in 2025.... By contrast, 34% were not confident they would be offered fair cost-of-living adjustments in 2025

Importance of Employee Compensation



**Recruit top
talent**



**Employee
Engagement**



**Employee
retention**



**Encourage
good
performance**



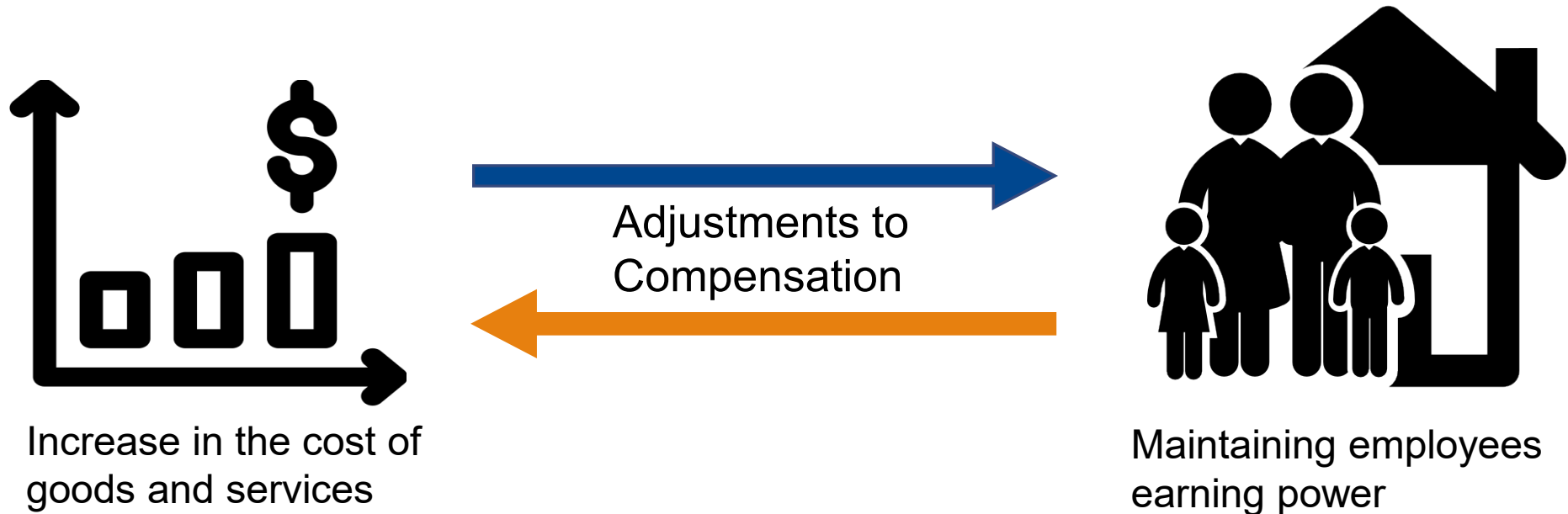
**Stay
Competitive**



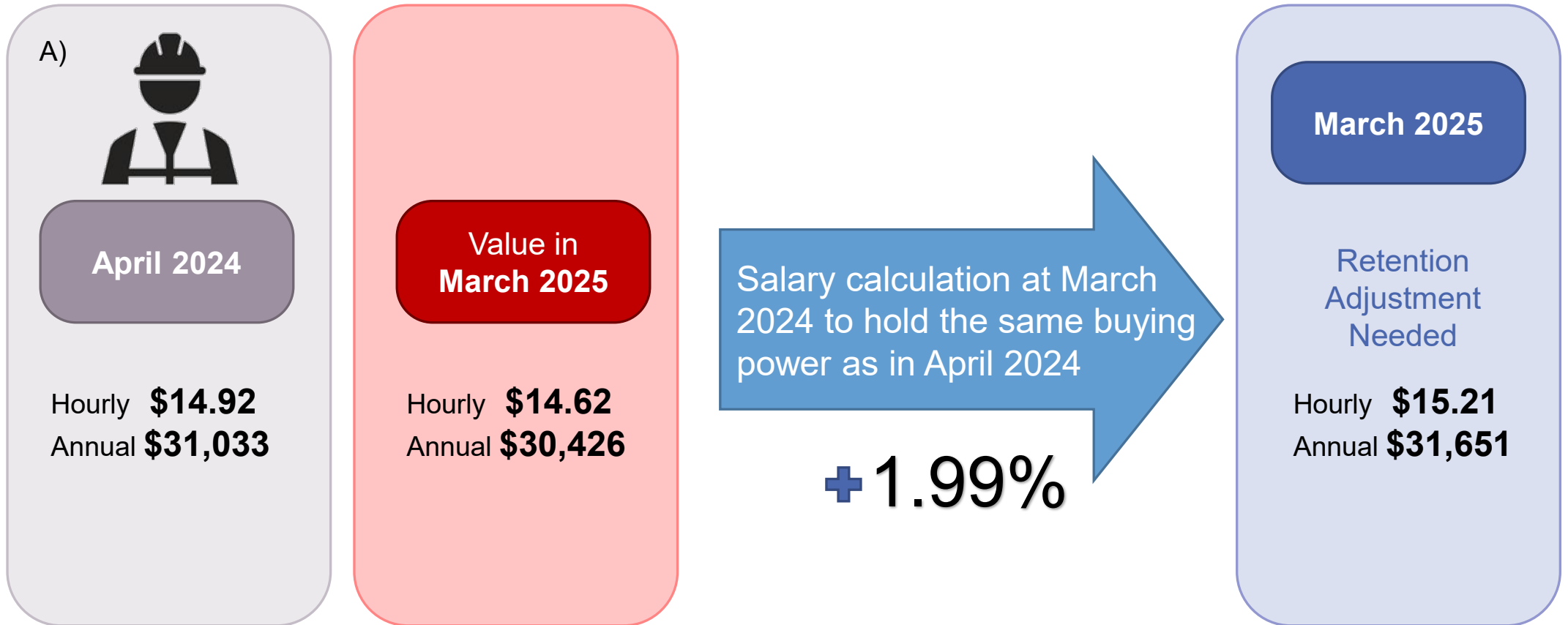
**Maintain
earning
power**

Inflationary Adjustment

Pay adjustment usually computed as part of an annual compensation plan, applied uniformly to all employees before performance-based increases, which is dependent on the consumer price index and BPUB financing capacity.



Maintaining employees earning power



**Bureau of Labor Statistics' consumer price index (CPI) inflation calculator*

Inflationary Adjustment - Budget



Considerations

- CBO's projections is 2.3% after 2026
- The BLS (CPI) Inflation Calculator shows a difference of 1.99% as of March 2025.
- Rates are expected to rise to 2.9%, according to financial news sources*.

*<https://money.usnews.com>



Budget Requirement

- Proposed FY 2026 Budget

Percent (%) Increase:	3.0%
Salaries:	\$1,178,114
Benefits:	\$348,722
Total Budget:	\$1,526,836

- Request for Ongoing Budget Allocation for Inflationary Compensation Adjustments

Q & A



BROWNSVILLE
PUBLIC UTILITIES BOARD

Discussion and/or Requests for Future Agenda Items



BROWNSVILLE
PUBLIC UTILITIES BOARD

Adjournment
