



Legislation Text

File #: 22-1484, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the recommended adjustment to non-union employee pay ranges

DEPARTMENT: Human Resources

SUBMITTED BY: Jim Sheehan, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The City maintains position classifications and pay ranges for non-union employees. The pay ranges are established based on ranges for other position classes, requisite qualifications and general rates of pay for comparable work in other public and private employment in the area. The City's structure for pay ranges includes a minimum, midpoint and maximum salary. An adjustment to the pay range would move each of those categories by the designated amount of the increase and provide greater flexibility within the pay ranges. Pursuant to Section 1-7-7 of the Naperville Municipal Code, the City Council is authorized to adjust pay ranges.

DISCUSSION:

Actual employee pay is separate from pay range movement. Range movement is a function of market conditions while employee pay is a function of individual performance.

Pay ranges exist to allow differentiation in employee pay based on responsibilities, performance and experience. For example, a Customer Care Representative is currently in a pay range from \$44,007 to \$67,185 annually. An entry-level candidate would be targeted to receive a starting annual salary of \$44,007 to \$45,000 (close to the minimum of the range). As the Customer Care Representative progresses in their career, they would continue to be in the same salary range, but their salary would be adjusted within that range based on merit. The salary ranges allow supervisors to move employee salaries without seeking job reclassification into a new position with a different salary range.

The City participates in annual compensation surveys from a number of sources including local communities, World at Work and Salary.com/CompAnalyst. Staff utilizes these sources to make recommendations on merit and salary range adjustments. Surveys are used throughout the year and the City relies on CompAnalyst and market surveys to obtain timely competitive salary and salary range data to supplement analysis and remain market competitive in the recruitment and retention of employees. Generally, pay ranges are adjusted annually at a rate equivalent to an organization's annual wage increase.

Staff recommends City Council move pay ranges by 3% in 2023, mirroring the 3% merit pool in the City's 2023 budget. (In 2022, City Council approved a 5% range adjustment to mirror the merit adjustments in 2021 and 2022.) This range movement will assist the City's recruitment efforts and bring pay ranges closer to the overall market. The non-union pay ranges with the 3% adjustment are attached as Exhibit A.

FISCAL IMPACT:

Non-union employees will receive merit-based salary adjustments in January 2023. Assuming a 3% merit increase, the salaries of 29 employees would extend beyond their current pay range if no adjustment is made, requiring a lump sum payment at the beginning of the calendar year totaling \$44,007.61. With a 3% increase to the range scale, all employees would have their merit increase distributed throughout the year within their bi-weekly paycheck and no lump sum payments would be required. No employees will fall below the minimum range regardless of a pay range increase.