



Legislation Text

File #: 19-1060, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve recommended adjustment to pay ranges

DEPARTMENT: Human Resources

SUBMITTED BY: Jim Sheehan, Director of Human Resources

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:

The issue of employee actual 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 performance and experience.

Staff compensation and the salary review process includes participation in annual salary surveys from a number of sources including: local communities, World at Work and Salary.com/CompAnalyst. Surveys are used throughout the year, but the City relies heavily on CompAnalyst to obtain timely competitive salary and salary range data to supplement analysis and remain market competitive. Based on a review of the surveys, pay ranges are expected to be adjusted an additional 2.3% in 2020.

The City's non-union pay ranges were adjusted by 2.5% in 2017. There were no adjustments in 2018 and pay ranges were adjusted by 4% in 2019. Staff recommends City Council move pay ranges by 2%. The movement will assist the City's recruitment efforts and bring pay ranges closer to the overall market.

FISCAL IMPACT:

Non-union employees will receive merit-based salary adjustments in January 2020. The fiscal impact in 2020 is driven by (i) employees who are at the bottom of their current range and will receive an increase to bring their salary to the minimum of their range; and (ii) employees who are currently at the top of their pay range and receive a lump sum payment in lieu of an increase to their base salary.

The proposed City budget for 2020 includes a 3% merit pool, assuming a 3% merit adjustment and the 2% pay range adjustment, 14 employees would continue to be at the maximum of their pay range and would require varying lump sum payments that would total \$3,329. Without the 2% pay range adjustment, the number of employees requiring lump sum payments would be 38 with total payments equal to \$49,771. No employees will fall below the minimum range regardless of a pay range adjustment.