

**CITY OF BANDERA COUNCIL AGENDA**  
**Regular Meeting: Tuesday, January 14, 2025**

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**AGENDA ITEM:**

Approval Resolution 2025-006 for an Employee Compensation Adjustment Policy.

**SUBMITTED BY:** Stan Farmer

**APPROVED FOR AGENDA:** Stan Farmer

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**BACKGROUND:**

**Purpose:**

Employee retention and paramount for a healthy organization. Reducing turn over and creating a positive atmosphere for top performing employees better serves the public.

This policy establishes the authority of the City Administrator to approve employee compensation adjustments within specified parameters, streamlining the process for certain pay increases for non-salary employees only and within strict constraints.

Please see attached Policy.

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**FISCAL ANALYSIS:**

Possibly, but within the confines of a balanced budget.

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**RECOMMENDATION:**

None.

# Employee Compensation Adjustment Authority

## Purpose:

Employee retention and paramount for a healthy organization. Reducing turn over and creating a positive atmosphere for top performing employees better serves the public.

This policy establishes the authority of the City Administrator to approve employee compensation adjustments within specified parameters, streamlining the process for certain pay increases.

## Policy Statement:

The City Administrator is authorized to approve a pay increase for a Non-Exempt (non-salary) City employee up to a maximum of 2% per fiscal year, without prior approval from the City Council. The City Administrator is only allowed to give this increase to a maximum of 4 such employees per fiscal year.

## Employee must meet one or more of the following criteria:

- **Performance-Based:** The increase must be based on documented performance evaluations demonstrating exceptional contributions or exceeding performance expectations.
- **Completion of Education:** This increase must be based on documented completion of education pertaining to the employee's roles. (Academic Degree, Top Tier Certifications, etc.)

## Documentation Requirements:

The HR officer must maintain documentation in employees personnel file supporting each pay adjustment.

## Review and Amendment:

This policy shall be reviewed annually by the City Council to ensure its continued effectiveness and alignment with the City's budgetary goals and strategic priorities. The City Council reserves the right to amend or rescind this policy at any time.

## Additional Considerations:

- **Budgetary Constraints:** The City Administrator should be mindful of the City's overall budget and ensure that salary adjustments are fiscally responsible.

## Eligibility:

- Employee must be employed with the City for a minimum of 1 year.
- Only 1 compensation adjustment per this policy is allowed for an employee per fiscal year.
- Must have scored the minimum points to receive a raise on their regular annual merit evaluation in that fiscal year.