
City Council Regular Meeting

DEPARTMENT: Human Resources

FROM: Cheryl Marthiljohni, Director of Human Resources

MEETING: July 20, 2026

SUBJECT:

Receive a report, hold a discussion, and provide staff direction regarding Fiscal Year (FY) 2026-2027 employee compensation and benefit strategies. (*Staff Contact: Cheryl Marthiljohni, Director of Human Resources*)

STRATEGIC PRIORITY AND GOAL(S):

Strategic Priority	Strategic Goal
 High Performing City Organization Providing Exceptional, People Focused Services	1.1 Develop a high-performance and diverse workforce 1.4 Be a responsible steward of the city's financial resources.

SUMMARY:

This item is being presented to review FY27 compensation and benefit strategies, including the recommendation from the Council Retreat in February 2026, to review equitable pay solutions for maintenance positions within Public Works and Parks Department. This presentation will cover current pay programs, the possibility of equitable pay changes for full and part-time employees, and employer-of-choice benefit strategies.

The city conducts an annual review of compensation and benefits using comparable cities and potential next best market alternative data to help provide direction on compensation and benefit decisions. The city also pays close attention to its turnover target of 12% and hard-to-fill positions.

For FY27, city staff proposes an average 3% merit, funding for police and fire step plan, and market adjustments for certain full-time and part-time positions.

In addition to the annual compensation review, the city also reviews benefits as a key part of employee value. The city received feedback in 2025 on what was important to employees, expressing Strong Leadership & Vision, Competitive Pay & Benefits, Healthy Work Culture,

Career Development, Work-Life Balance, Employee Recognition and Employee Engagement as areas of focus. To continue as an employer of choice, the city looks for opportunities in these categories, therefore, a variety of benefit strategies will be presented for review and input.

RECOMMENDATION:

N/A

PRIOR ACTION/INPUT (Council, Boards, Citizens):

Council Retreat, February 23, 2026

Committee Services Committee, May 6, 2026

REFERENCE:

FY26-27 City Budget

FISCAL IMPACT:

The fiscal impact will depend on FY27's funding, direction and approval from council.

STAFF CONTACT:

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