

Community Services Committee

DEPARTMENT: Human Resources


FROM: Cheryl Marthiljohni, Director of Human Resources

MEETING: May 6, 2026

SUBJECT:

Receive a report, hold a discussion, and provide recommendations to the city council on FY27 employee compensation and benefit strategies. *(Staff Contact: Cheryl Marthiljohni, Director of Human Resources)*

STRATEGIC PRIORITY AND GOAL(S):

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

SUMMARY:

This item is being presented to the committee to review FY27 compensation and benefit strategies, including the recommendation at 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 city and “next best alternative” market 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 the FY27 review of compensation, the city has developed three options to consider:

1. Average 3% merit pay program and average 3% step plan for police and fire, with no market adjustments.
2. Average 3% merit + market adjustments, average 3% step plan for police and fire, and part-time position adjustments raising the minimum rate to \$14.00/hour.

3. Average 3% merit pay program + market adjustments, average 3% step plan for police and fire, and part-time position adjustments raising the minimum rate to \$13.00/hr.

In addition to the annual base 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 the committee's review and input.

RECOMMENDATION:

N/A

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

Council Retreat, February 23, 2026

REFERENCE:

FY25-26 City Budget

FISCAL IMPACT:

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

STAFF CONTACT:

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