

Raymond R. Soliman
Mayor

Christine Vershay-Hall
Clerk



Glen Conklin
Treasurer

TO: Glen Conklin, City Treasurer
Lisa Banovetz, Finance Director
FROM: Dave Strahl, Interim Human Resources Representative
DATE: March 20, 2024
SUBJECT: Review of Department Head Wages

Ward 1
Scott Dyke
John Vershay

Ward 2
Claudia Gazal
Darrell Jefferson

Ward 3
Tina Oberlin
Mark Cipiti

Ward 4
Nate Albert
Joe Kubal

A request was made to review the wages for the Public Works Director as part of the recruitment effort to hire a permanent replacement. A draft job posting was created and forwarded to the mayor for consideration. The mayor had informed Human Resources that he intended to bring the posting to the city council prior to posting. However, the mayor asked staff to forward the posting to the city council on the March 4 city council meeting for direction. The city council determined that they would like to pause the recruitment until a permanent city administrator was in place.

As part of the draft posting for the Public Works Director a proposed wage range of \$129,497 to \$169,278 was suggested. I am unable to determine the origin of that range. During initial discussions with the mayor, he had suggested using the wage range from the February 2023 Compensation Study. I suggested that since that study was based on 2022 wage rates the wage rates from the study be updated with the 2023 (2%) and 2024 (projected 2%) COLA amount. The attached spreadsheet illustrates the wage rate using those COLA increases would generate a wage range of \$120,678 to \$165,128 at the 50th percentile. In order to remain consistent with the compensation study as a baseline the range generated from the study could be used with the COLA increases applied for hiring range purposes and the range in the draft posting could be discarded.

One recommendation from the compensation study was to update the study annually. Based on the information generated from the study the data presented is now two years old. The application for the COLA should be a sufficient stop-gap measure until the data is updated, if the city council desires such an update. The other element that the study suggested was that a COLA was the baseline increase and merit increases should be offered for employees worthy of additional consideration based on their annual performance.

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If employees are to receive a merit increase based on their performance over the past year an employee performance evaluation should be completed to justify an increase. The evaluation should be complete enough to clearly articulate the achievement of measurable outcomes and define future goals/objectives for the coming year. The current employee evaluation form is limited in its completeness as a meaningful tool for supervisors to utilize. The city council has already directed the employee evaluation form and system to be revised for the next annual review period.

However, in the interim employees should still be afforded the opportunity to receive a merit increase based on performance. There should be an oversight of the performance evaluations completed and reviewed by Human Resources with recommendations to the city council of employees that could be eligible for additional merit compensation. The review by human resources would consist of a review of the evaluation form as completed by the supervisor to determine if adequate justification is present for additional compensation. Not every employee may be worthy of additional merit compensation, but a systematic review of the completed forms will at least ensure an independent review takes place prior to additional compensation is considered.

In reviewing the Public Works Director wages to gather information, a review of the other department director positions was undertaken based on the compensation study wage rates and updating them to remain reasonably positioned in the marketplace. A spreadsheet outlining the wage rates for the department director positions with the wage rates from the compensation study. The wage rates from the study are updated using a 2% COLA for 2023 and 2024. In addition, the wage rates were also updated using the COLA for 2023 and 2024 based on the Police contract of 4% and 3.5%, respectively. The wage rates show the impact of the COLA at the 50th percentile and the 65th percentile. The 50th percentile was the level the city council had previously communicated to the compensation consultant as the market comparison level to use in determining applicable wage rates for Crest Hill personnel. Below are some recommendations to consider as part of the transition period until more formal wage evaluation procedures are in place.

Recommendations:

- Update the wage rates for the department directors based on the wage rates recommended by the compensation study through applying a COLA to the rates effective for 2023 and 2024.
- Determine what COLA will be used to apply to the wage rates from the compensation study, either the standard rates or the COLA afforded the police through their recent contract.
- Update the employee performance evaluation forms and procedures prior to employee evaluations for calendar year 2025. This update is currently underway by Human Resources.
- Direct all employee performance evaluation forms to be reviewed by Human Resources prior to a recommendation for a merit increase is developed by a supervisor for each department director and proposed to the city council. Any suggested revisions to the evaluation will need to be completed prior to the recommendation of a merit increase.
- Determine the salary range for the new Public Works Director prior to posting the position for recruitment purposes.

Attachments provided for informational purposes.

- Department Director Wage Ranges showing the range from the compensation study and suggested wage rate COLA increases.
- Public Works Director job description.
- Draft Public Works Director proposed job recruitment posting.
- Charts from the compensation study for the positions of Director of Finance, Police Chief, Public Works Director, and City Engineer.
- Compensation Table from the compensation study showing the recommended salary grades for the different positions reviewed by the study.