



VILLAGE BOARD MEETING

VILLAGE OF HARRISON**From:**

Alissa Van Eperen, Finance Director/Treasurer
Meghan Winkler, Village Clerk/HR Manager
Chad Pelishek, Village Manager

Meeting Date:

March 31, 2026

Title:

Performance Recognition and Compensation Model

Recommended Action:

Motion to approve the proposed performance recognition and compensation model with the corresponding evaluation forms and the reclass position.

Issue:

None.

Background and Additional Information:

In 2025, PAA analyzed the Village's salary matrix to ensure we aligned with other comparable communities related to pay and assisted the Village in ensuring that all employee job descriptions were standardized. As part of these updates, internal discussions were held regarding the potential implementation of a performance-based compensation structure rather than providing across-the-board increases to all employees. The goal of this approach is to reward employees who demonstrate higher levels of performance, and recognize and compensate them accordingly.

This approach also aligns with the goal-based review process implemented for 2026, which provides each employee with specific goals to work toward. Establishing an organizational framework will further support this process by ensuring that individual employee goals align with the broader objectives of the Village.

Based on the current pay structure and the salary matrix proposed by PAA, it was determined that a one-step increase within the matrix, combined with the potential for a flat, one-time merit bonus, would be the most appropriate approach.

Limiting increases to one step within the matrix helps preserve the integrity of the pay structure. The attached model outlines a tiered approach in which employees are placed into tiers based on their evaluation scores and the number of points received. The tier in which an employee falls will determine the type of compensation they are eligible for. Each tier also accounts for varying bonus amounts based on the employee's pay grade.

Additionally, during the process of determining tier levels and grouping pay grades, it was identified that one employee, who functions in more of a leadership capacity, was grouped with non-leadership roles. To better reflect this responsibility, it is proposed that this individual be moved up one pay grade to the closest step, resulting in an approximate increase of \$0.65 per hour. This adjustment would align the position with the leadership team and ensure eligibility for the same tier-based incentives.

Budget Impacts:

Eligibility will be determined as part of the annual performance review process. Beginning with the 2027 budget cycle, we will work to set aside funds specifically for merit bonuses, as step increases within the salary matrix are typically already accounted for during the budgeting process.

Attachments:

- Performance Recognition and Compensation Model with Evaluation Forms