



CITY COUNCIL MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA – City Manager

DATE OF MEETING: May 11, 2026

ITEM TITLE: Resolution Approving Salary Increases for Salaried and Non-Bargaining Employees Effective July 1, 2026

BACKGROUND:

During our February 2, 2026, City Council Work Session, we discussed the proposed salary and wage increases for salaried and non-bargaining employees for the upcoming fiscal year. This resolution formally adopts the structure discussed during that session to ensure our team is compensated appropriately.

DISCUSSION:

The proposed resolution authorizes a base 2% increase to the current rate of pay for all full-time hourly and salaried employees, as well as part-time Fire Department drivers, provided they have a satisfactory performance evaluation. This excludes longevity pay and the City Manager.

In addition to the base increase, we intend to reward employees with merit increases determined by their performance review ratings. The additional merit increases are authorized as follows:

- Ratings between 1.00 and 2.00 will receive no merit increase.
- Ratings between 2.01 and 2.50 will receive an additional 0.50% merit increase, totaling 2.50%.
- Ratings between 2.51 and 3.00 will receive an additional 1.00% merit increase, totaling 3.00%.
- Ratings between 3.01 and 3.50 will receive an additional 1.50% merit increase, totaling 3.50%.
- Ratings between 3.51 and 4.00 will receive an additional 2.00% merit increase, totaling 4.00%.

While we recognize their independent authority, the Council has in the past desired that the Library Board of Trustees follow this schedule for Library employees. Please note that Bargaining Unit employee amounts have already been set by the current collective bargaining agreement approved by the City Council.

RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of **supporting high-quality City services and encouraging a supportive environment for businesses, workforce, and economic development**. This item helps achieve that vision by ensuring we retain and reward the dedicated employees who provide excellent service to our community.

FINANCIAL CONSIDERATION:

These increases have been planned for and are incorporated into our FY27 budget.

RECOMMENDATION:

Staff recommends a motion to approve and authorize the Mayor to sign the Resolution authorizing salary increases for salaried and non-bargaining employees, excluding the City Manager, effective at the beginning of the pay period, including July 1, 2026.