



CITY COUNCIL WORK SESSION MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA - City Manager

DATE OF MEETING: January 20, 2025

ITEM TITLE: Performance-Based Merit Increases

DISCUSSION:

The Council has discussed performance-based Merit Increases in the past and asked how we could implement them. Below is a draft table of a possible way to implement Performance-Based Merit Increases based on a 3% raise pool, 4% raise pool, or 5% raise pool.

Of note, there should be a discussion about whether an underperforming employee should receive the "Base" raise as shown in the included table or if that should be reduced somehow.

Rating	3% Pool			4% Pool			5% Pool		
	Base Raise	Merit Portion	Total Raise	Base Raise	Merit Portion	Total Raise	Base Raise	Merit Portion	Total Raise
1.00-2.00	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
2.01-2.25	2.00%	0.25%	2.25%	2.00%	0.50%	2.50%	2.00%	0.75%	2.75%
2.26-2.50	2.00%	0.50%	2.50%	2.00%	1.00%	3.00%	2.00%	1.50%	3.50%
2.51-2.75	2.00%	0.75%	2.75%	2.00%	1.50%	3.50%	2.00%	2.25%	4.25%
2.76-3.00	2.00%	1.00%	3.00%	2.00%	2.00%	4.00%	2.00%	3.00%	5.00%

RECOMMENDATION:

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.