



Compensation Program Administration Guide 2026

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Introduction

The overall goal of the City's compensation program is to establish a system that is internally equitable, externally competitive, financially sustainable, and provides incentives to reward employee achievement. A good compensation system helps to retain existing staff and allows the recruitment of qualified staff when vacancies occur.

Components and Design

Pay Plan Structure

The City maintains a defined increment step system for regular full and part-time non-represented employees. The plan has defined increments between each step, and employees advance through the steps based on their longevity with the City and individual performance.

The plan consists of 30 pay grade classifications and 9 steps (steps A – I).

No employee will be paid below the minimum of their respective grade. Generally, no employee will be paid above the maximum for their respective grades. There may be rare exceptions, which must be recommended by the Mayor and approved by the Common Council.

Starting Pay

The starting pay for a new employee or newly promoted employee at the City is determined by considering the pay range associated with the job, by reviewing the candidate's qualifications for the job as compared with the job responsibilities. Generally, employees will start at step A, but if a higher-than-minimum step is proposed, it will be done so to ensure that it does not create internal inequities for existing employees.

Annual System Adjustment

Each year, the City reviews compensation data to ensure the overall system is keeping up with the market. When an annual system adjustment is made, it is made to all pay grades within the plan. It is generally recommended that the annual system adjustment be made at the beginning of the calendar year; however, the timing will be determined during the annual budget process.

Step Increases

Step increases are designed to recognize an employee's continued growth within their position.

Review of placements and positions

The following factors are considered when making the determination on what pay grade and classification a position is placed in:

- Complexity of the job
- Responsibility to make and implement important decisions, and the degree of independent judgement required
- Work environment
- Education, training, and preparation required to complete the job
- The degree to which they oversee additional staff
- Market comparable jobs

Transfers and Promotions

When an employee accepts a position within the City that is at a higher pay grade than their current position, they will be placed at the step nearest their existing salary that provides them with an increase and that does not fall below the new grade's minimum.

Significant Changes to a Job

It is not unusual for jobs to change over time based on the skills of the employee within the position and the needs of the department/City. Not all changes to a job warrant a change in pay grade classification.

Examples of changes to a job that generally do not warrant changes in pay grade include, but are not limited to:

- Additional responsibilities were added, but the level of complexity is similar to existing duties.
- The volume of work increases or decreases, but the complexity remains similar.
- Use of different or new tools to complete a job (i.e., utilizing or learning new technology to manage a process).

Examples of changes to a job that may warrant a pay grade change include, but are not limited to:

- Additional responsibilities are added that represent a significant increase in complexity as compared to existing responsibilities.
- Additional responsibilities were added that represent a significant increase in the level of accountability the position holds.
- Additional responsibilities were added that increased the level of leadership, critical decision-making authority (budget, for example), and/or significant changes to the oversight of other staff.
- A significant change in the scope of responsibility.

Ongoing Program Review

Pending budget fund availability, the City should complete a full classification and compensation study at least every 5 years to ensure continued equity and market competitiveness of pay grades and ranges. It should be noted that in years when the City completes a compensation study, pending results of the compensation study, typical step increases and/or annual cost of living adjustments may vary.

To ensure positions are consistently placed on the compensation schedule appropriately, the City will continually monitor position placements.

The HR department will review all newly created positions to determine proper placement within the salary schedule, which will then be subject to Common Council approval.

For questions regarding compensation, please contact Human Resources.

