



Date: November 12, 2024

Honorable Mayor and Council Members:

Author and title: Bonnie Thompson-Hardin, Human Resources Manager

Title: **Town Manager Performance-Based Pay Increase 2024**

Jen Callaway, Town Manager

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**Recommended Action:** That the Council approve Resolution 2024-68 awarding a 6.0% pay increase to the Town Manager, Jennifer Callaway, resulting in an annual pay amount at the top of the wage range of \$257,191.22 effective October 26, 2024, and a one-time lump sum pay amount of \$2,410.72.

**Discussion:** The council completed Town Manager, Jennifer Callaway's, performance appraisal in closed session at its October 22, 2024 meeting. Jen's employment contract includes the following language regarding pay changes:

(b) Annual Salary Adjustments. At the Town Council's sole discretion, salary adjustments may be given to Employee at or around the time of the annual review and evaluation by the Town Council. Additionally, Employee shall be entitled to receive any cost of living or similar increase granted other mid-Management Town employees during the term of this agreement.

Under the Town's current compensation plan, employees covered under the Town's bargaining agreements are eligible for pay increases based on performance. The potential merit-based increase to base pay is based on General Fund budget-to-budget revenue increases. For fiscal year 2024/25, the Town is in the 5.0% pool based on the applicable budget-to-budget revenue increases and employees are entitled to receive up to a 6.0% increase based on performance.

An employee's base pay may only be increased up to the top of the wage range in which the employee's position is classified on the Town's wage matrix. Once an employee's base pay reaches the top of the range, the employee is eligible for a non-base pay compensation (NBPC) equal to the amount that the employee would have earned over the year if there was no cap on the range. The NBPC is paid as a lump sum after the employee's evaluation and is not added to the employee's base pay. Staff recommends using this methodology for calculating Jen's performance-based pay increase to be consistent with all other employees.

Based on Jen's evaluation score, she is eligible for up to a 6.0% pay-for-performance increase, in line with the methodology described above. Therefore, staff recommends increasing Jen's pay to the top of the range, resulting in an annual pay amount of \$257,191.22.

If there was no cap on the Town Manager wage range and Jen received the full 6.0% increase based on her evaluation score, her annual compensation would be \$259,601.94, which is \$2,410.72 more than the top of the range allows. Therefore, staff also recommends awarding Jen a NBPC in the amount of \$2,410.72.

**Priority:**

<input type="checkbox"/>	Enhanced Communication	<input type="checkbox"/>	Climate and Greenhouse Gas Reduction	<input type="checkbox"/>	Housing
<input type="checkbox"/>	Infrastructure Investment	<input type="checkbox"/>	Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/>	Core Service

**Fiscal Impact:** An amount of this type was included in the 2024-25 annual budget.

**Public Communication:** None.

**Attachments:** Resolution 2024-68.