



Date: Monday, November 10, 2025

Honorable Mayor and Council Members:

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

Title: **Town Manager Pay Increase**

Jen Callaway, Town Manager

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**Recommended Action:** That the Council approve Resolution 2025-64 awarding a non-base pay compensation increase to Town Manager Jennifer Callaway, resulting in a one-time lump sum pay amount of \$8,024.

**Discussion:**

The Council completed Town Manager Jennifer Callaway's performance appraisal in closed session at the October 14, 2025 meeting. Jen's employment contract includes the following language regarding pay changes:

Section 9. Compensation. (b) Annual Salary Adjustment. 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.

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 the base pay is determined by the General Fund budget-to-budget revenue increase of specifically negotiated items. For fiscal year 2025/26, 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 wage may only be increased up to the maximum rate of the wage range assigned to their position 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 wage 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 recommend 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. Since Jen's wage as of October 25, 2025 aligned with the top of the wage range of the Town Manager position, she would be eligible for a NBPC in the amount of \$16,049. However, Jen has requested that she be granted only half of the NBPC she was eligible for under her previous contract, in consideration of the increases in her new agreement. Accordingly, staff recommends an NBPC award of \$8,024.

**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:** There is sufficient budget to accommodate this pay increase.

**Attachments:**

Attachment 1 – Resolution 2025-64 Non-Base Pay Compensation for the Town Manager