

RESOLUTION NO. 2022-53

RESOLUTION ADOPTING A MERIT PAY SYSTEM FOR PERMANENT FULL TIME EMPLOYEES

WHEREAS, a salary survey committee consisting of four staff members and two council members discussed multiple merit pay systems; and

WHEREAS, the salary survey committee felt it was necessary to have a merit pay policy to incentivize employees who improve city operations, retain experienced staff, and keep employee performance/pay private between appropriate supervisors; and

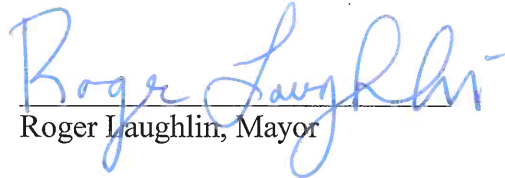
WHEREAS, the salary survey committee is recommending an incentive pay system similar to Iowa Department of Transportation as seen in the memorandum on the following page;

WHEREAS, each year employee evaluations must occur before the final council meeting in June; and


NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Branch, Iowa, is adopting a merit-based pay policy outlined in the memorandum on the following page.

\* \* \* \* \*

Passed and approved this 16<sup>th</sup> day of May, 2022.

  
Roger Laughlin, Mayor

ATTEST:

  
Leslie Brick, City Clerk



Merit Based Pay Policy  
May 5, 2022

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## **MEMORANDUM**

TO: All Staff, if approved by Council  
CC: Mayor and Council

FROM: Adam Kofoed  
City Administrator

RE: Merit Based Pay Policy

### **General Procedures**

1. Pay Scale Adjustments
  - a. Every year, council will approve a new pay scale adjusted for cost of living allowance (COLA).
  - b. Every three years, city staff will strive to work with two council members and undertake a salary survey to help them determine the individual market for each position.
  - c. For transparency reasons, it is recommended at least one council member sit in on a salary survey study committee.
  
2. Market Increases
  - a. In cases where a certain position may be below the market average, staff must present a three-year plan to get positions to a competitive rate.
  - b. If an employee is paid under market due to past performance issues, it is up to the direct supervisor to recommend whether that market bump will occur. However, it is within the best interest of the city to plan for such wages.
  
3. Employee Evaluations
  - a. Annual evaluations should occur between May and June. Supervisors will work with their staff and layout expectations while discussing personal goals for the following year.
    - i. Meeting goals does not always dictate and extra merit increase as there are other factors in an employee evaluation.
  - b. Supervisors should strive to have informal quarterly discussions with their staff to provide feedback along the way.
  - c. Each year supervisors will make a recommendation wage increases based on the prior year performance.

## How It Works

If COLA in FY 24 is 2%

- 0-2% underperforming or standard performers
- 2-4% average to above average performers
- 4-6% above average to outstanding performers

### The Scale

- The median market wage should be at the 10-year mark
- Starting pay should be no lower 85% of the market wage at the 10-year mark.
- Max pay should be no higher than 115% of the market wage at the 10-year market.
- In theory, hiring scale should start at the low and be no higher than 5% over the 10 year, midpoint.

### *Top of Scale*

In theory, it should take 18 years for an average performer as they gain experience to meet the top of the wage scale. Above average to outstanding performers could reach the top of the scale sooner. Those at the top of the scale will receive a COLA increase but may receive a bonus, not an increase in pay, if they have an exceptional year.