

### Salary Increases Options – Fiscal Year 2026-27

During the City’s Budget Retreat on April 18, 2026, the following two Options were presented regarding Salary Adjustments for Fiscal Year 2026-27.

Option 1		Option 2			
Base Rate Increase % Based on Seniority		Without Public Safety Base Rate Increase % Based on Seniority	Public Safety (PD & Fire) Market Adjustments (MSAs)		
Years of Service	% of Increase	Years of Service	% of Increase		
0 - <1	0%	0 - <1	0%		
1 - <5	2%	1 - <5	2%		
5 - <10	3%	5 - <10	3%		
10 - <15	4%	10 - <15	4%		
15 - <20	5%	15 - <20	5%		
20+	6%	20+	6%		
	\$569,920.02		\$393,958.26	\$463,182.51	Total Adjustments:
	\$666,806.42		\$460,931.16	\$541,923.54	Total Adjustments with 17% EREs:
<b>Total:</b>	<b>\$666,806.42</b>	<b>Total:</b>	<b>\$1,002,854.70</b>		

### Option 1

Following further evaluation of market conditions, and in consideration of the current U.S. inflation rate of 3.3%, it is recommended that all employees receive some sort of a salary adjustment. Therefore, option 2 previously presented at the Budget Retreat was modified and is now presented as **Option 1**:

Option 1						
Service Salary Increase (SSI) % based on Seniority			Market Salary Adjustment (MSA) % based on Market Study			
All Employees, except PS Without Public Safety			Public Safety (PD) Sworn Personnel	Public Safety (Fire) Certified Personnel		
Years of Service	% of Increase		Class	Starting Rate	Class	Starting Rate
0 - <1	2%		P. Officer	\$30.00	Firefighter	\$19.50
1 - <5	3%		P. Sergeant	\$40.00	Fire Engineer	\$24.00
5 - <10	4%		P. Lieutenant	\$50.00	Fire Captain	\$28.00
10 - <15	5%		P. Chief		Battalion Chief	\$33.20
15 - <20	6%				A. Chief	
20+	7%				Chief	
Total Annual Adj.:		\$435,200				
PS Total Annual Adj.:		\$69,553		\$299,707		\$249,227
Total OT Adj. (PD & Fire) 19%:		\$13,215		\$56,944		\$47,353
Total Annual Adj. w/EREs (17%):		\$606,022		\$417,282		\$346,999
<b>Grand Total:</b>			<b>\$1,370,303</b>			

Under this option:

- The total estimated cost would be approximately **\$1,370,303**.
- Regular civilian employees would receive a percentage increase based on their years of service with the agency.
- Public safety personnel (sworn and certified) would receive Market Salary Adjustments based on market research.

- A pay rate would be established for each classification.
- An additional 2.5% would be applied for every five-year increment to help alleviate compression.

Employees Tenure	Established Rate
0-5 yrs.	\$30.00
5-10 yrs.	\$30.75
10-15 yrs.	\$31.52
15-20 yrs.	\$32.31
20-25 yrs.	\$33.11
25+ yrs.	\$33.94

Example:

## OPTION 2

An alternative option would be to implement a combination of **Cost-of-Living Adjustments (COLA)** and **Service-Based Salary Increases (SSI)**, capped at five (5) years of service. This model is widely used in the public sector, with many local governments applying these strategies – often in combination – to address inflationary pressures while helping to mitigate salary compression

Under this option:

- **All employees** would receive a **3% COLA**, aligned with the current 3.3% inflation rate.
- In addition, **employees with one or more years** of service would receive 1% increase for each year of service, up to a maximum of five years.
- **The total estimated cost would be approximately \$1,623,366.**

Total Annual Adj. w/out PS:	\$330,621	\$370,161
PS (PD & Fire) Total Annual Adj.:	\$267,548	\$309,520
PD & Fire OT Adj.:	\$50,834	\$58,809
Total Annual Adj. w/EREs (17%)	\$759,333	\$864,033
<b>Grand Total:</b>	<b>\$1,623,366</b>	

## OPTION 3

During the budget retreat, the idea of advancing employees further within their pay ranges, particularly closer to the midpoint, was discussed. It is important to note that the Salary Range table was updated as recently as January of 2025 following the 2024 Market Salary Study. At that time, most employees were placed at or near the beginning of their respective ranges to establish external market competitiveness.

Given how recent this implementation is, the majority of employees remain clustered at the lower end of the ranges:

Employees <u>CURRENT</u> Placement w/in Salary Range					
	At Minimum	0-1% Above Minimum	1-10% Above Minimum	10-20% Above Minimum	20-30% Above Minimum
	251	19	57	24	5

Because most employees are currently positioned at the lower end of their pay ranges, advancing them to the midpoint, or even halfway between minimum and midpoint, would result in a substantial financial impact.

For context, moving all employees to midpoint would cost approximately **\$5,348,627**.

Total Annual Adj. w/out PS:	\$2,145,706
PS (Fire & PD) Total Annual Adj.:	\$2,038,462
PD & Fire OT Adj.: (19%):	\$387,308
<b>Total Annual Adj. w/EREs (17%):</b>	<b>\$5,348,627</b>

For reference, the table below illustrates the projected placement of employees within their respective salary ranges under each of the options presented.

Employees <u>FUTURE</u> Placement w/in Salary Range - by Option				
	At Minimum	0-10% Above Minimum	10-20% Above Minimum	20-30+% Above Minimum
Option 1		293	48	15
Option 2		295	43	18
Option 3			9	347

Finally, it is recommended that the City conduct a comprehensive Base Salary Market Study during Fiscal Year 2026–27. Industry best practices support conducting organization-wide salary benchmarking every 12 to 24 months to ensure ongoing market competitiveness and alignment with evolving labor market conditions.

A full study would allow the City to evaluate current pay structures against comparable jurisdictions, identify gaps or emerging compression issues, and make data-driven adjustments to salary ranges and compensation strategies. It would also provide an opportunity to reassess classification structures, ensure internal equity, and better position the City to attract and retain qualified talent in a competitive workforce environment.