September 20, 2017

Mr. Michael Geisel
City Administrator
City of Chesterfield
690 Chesterfield Parkway West
Chesterfield, MO 63017

Dear Michael:

The tables that follow provide salary adjustment information that will allow you to update the City of Chesterfield base salary compensation system. The data comes from the 2017-18 WorldatWork (formerly American Compensation Association) Salary Budget Survey that surveys over 2,600 U.S. firms. The below table contains actual 2017 and projected 2018 salary adjustments for all organizations in the Central region, with Public Administration industry data displayed in parentheses.

SALARY ADJUSTMENTS		
CENTRAL REGION - ALL ORGS (PUBLIC ADMINISTRATION)	ACTUAL 2017	PROJECTED 2018
Non-Exempt	3.0% (2.2%)	3.1% (3.1%)
Exempt	3.0% (2.2%)	3.2% (2.7%)
Officers/Executives	3.0% (2.3%)	3.1% (2.8%)

The following table contains salary structure adjustment information. It provides actual 2017 adjustments for all organizations as well as projected adjustments for 2018. Again, I have parenthetically noted adjustment percentages for organizations in similar industries.

SALARY STRUCTURE ADJUSTMENTS		
CENTRAL REGION - ALL ORGS (PUBLIC ADMINISTRATION)	ACTUAL 2017	PROJECTED 2018
Non-Exempt	2.0% (1.6%)	2.1% (2.0%)
Exempt	2.0% (1.7%)	2.1% (2.0%)
Officers/Executives	2.0% (1.9%)	2.1% (2.4%)

I am including an example of how the salary structure adjustments from table one should be applied to the salary structure. Let us assume for the sake of the example that you decide to adjust the salary structure by 2.7%. In addition, let us assume that minimum, midpoint and maximum for grade 10 are $48,000, $60,000 and $72,000 respectively. This grade has a 50% spread ($48,000 X 1.5 = $72,000). To update this range, we first must calculate the new midpoint. To do this, we multiply $60,000 (the midpoint) by 1.027 (our update factor). This yields $61,620 as the new midpoint. Next, we must calculate the new minimum. The formula for the new

minimum is the midpoint divided by one plus half of the spread. Because our spread is 50%, we divide the new midpoint by 1.25. The result is a new minimum of $49,296. Finally, we calculate the maximum by multiplying the new minimum by one plus the spread (1.5 in this case). The resulting new maximum is $73,944.

I trust you will find this information helpful. If you have any additional questions, feel free to call.

Sincerely,

Joe Rice
Project Manager, Compensation Consulting
CBIZ Talent & Compensation Solutions

CBIZ Talent & Compensation Solutions is a business and financial advisory firm providing a vast array of services, including compensation consulting. Our professionals perform compensation valuations on a regular basis and are qualified to provide such.