

**CITY OF CHESTERFIELD
POLICY STATEMENT**

FINANCE AND ADMINISTRATION	NO.	20
SUBJECT Pay Plan Administration	INDEX	FA
DATE 7/18/02	DATE 10/19/17	
ISSUED	REVISED 8/31/21	

POLICY:

As **reflected in Resolution #443 and as provided in the City's Salary Administration Manual.**

Annual Adjustment of Compensation Classification Ranges for Non-FOP employees

An annual uniform adjustment will be made to the compensation classification ranges based upon the ~~Urban Wage Earners and Clerical Workers (CPI-W), St. Louis, All Urban Consumers (CPI-U) <https://data.bls.gov/cgi-bin/surveymost?cu>, Midwest region, All items CUUR0200SA0, not seasonally adjusted~~, one-year recorded percent index change over the previous year, as reported for ~~July-June~~ in the prior calendar year. To ensure that the minimum and maximum value of the pay levels reflect the current market value of city jobs and the movement of salaries in comparable labor markets, the compensation plan ranges shall be adjusted annually, ~~on July 1st in January~~, immediately after distribution of the annual merit increases, if applicable. ~~An annual uniform adjustment will be made to the compensation classification ranges based upon the Urban Wage Earners and Clerical Workers (CPI-W), St. Louis, one-year recorded percent index change over the previous year, as reported for June in the prior calendar year. This adjustment to the salary ranges will be applied the following July 1st after merit increases (if awarded) have been applied.~~ Individual salary increases will not occur as a result of this range adjustment process, unless the salary of an employee is beneath the minimum salary for his/her position after any merit increase has been awarded. In any year where the CPI is zero or less, there will be no adjustment to salary ranges the following year. However, in any given year, the annual compensation plan adjustment is limited to a value that shall not exceed 75% of the merit pool approved by City Council. This limitation is essential to preserve separation between existing employees and new hires.

Determination of Annual Budget for Performance Based (Merit) Increases

The Finance and Administration Committee of Council will annually make a

recommendation to the full City Council with regard to what amount to budget for performance based compensation adjustments in the upcoming budget. Staff will provide information to the Finance and Administration Committee including but not limited to; CPI, Cost of Labor indexes, and City Revenues such that the Committee can provide the recommendation for the value of the merit pool budget.

Should the City Council elect to fund an annual merit increase, the amount allocated to the annual budget will be based on the following, and any other factors the Council chooses to consider.

- A) A percentage stipulated and approved by City Council based upon CPI, economic factors, and revenues available to the City.
- B) Actual salaries of all current and eligible employees who were on the payroll as of September 1 of current year. This will exclude the salaries of employees who are at the maximum of the range for their job position, but may include a dollar sum adjustment to account for employees who may be near the maximum salary for their respective range and otherwise eligible for less than the approved percentage that has been allocated to the annual budget.
- C) It is anticipated that any merit increase dollars not used for employees who may have left the payroll prior to September 1 of the following year will be sufficient to allow and award partial year increases for those employees who may join the payroll after September 1 of the current year.
- D) There will be no allocation made for vacant positions as of September 1st of the current year or positions that are forecast to be vacant or eliminated.

A dollar figure will be calculated based upon the above criteria, and this amount will be forwarded to the City Council as a recommended value to be included in the proposed budget.

RECOMMENDED BY:

Department Head/Director/Council Committee (if applicable)

Date

APPROVED BY:

City Administrator

Date

City Council (if applicable)

Date