



Department Source: Human Resources

To: City Council

From: City Manager & Staff

Council Meeting Date: June 3, 2024

Re: Compression Pay Adjustments for Permanent Unrepresented Employees and Employees in Positions Represented by the Water and Light Association.

## Executive Summary

Resolution authorizing compression pay adjustments for permanent unrepresented employees and employees in positions represented by the Water and Light Association.

## Discussion

The City Council approved funding for the City to engage an expert to conduct a comprehensive classification and compensation study. The Segal Company Midwest, Inc. began this project in October 2021.

Phase I of the study was implemented at the beginning of FY 2024 by adopting pay ranges that lead the market by approximately 6.4%. It was known that increasing the pay range minimums would result in further pay compression that would be addressed with implementation of Phase II.

Pay compression is when there is a narrow or no difference in pay between employees newly placed in a classification and employees that have been in the classification longer. In collaboration with The Segal Company Midwest, Inc. the following plan was developed to address pay compression:

- Employees placed at a rate of pay equal to 3% (compounded) above the minimum of the pay range for each year in classification as of March 1, 2024, up to a maximum of 75% of pay range
- Not all employees will receive a pay adjustment because their pay rate is equal to or greater than the rate calculated based on this plan
- No employee will receive a reduction in pay
- In accordance with city policy, supervisor pay will be adjusted to ensure all supervisors are making 1% above the highest paid employee they supervise

If approved, compression pay adjustments will be effective June 9, 2024.

The Finance Department anticipates the cost of the proposed compression pay adjustments may be absorbed in the current budget by utilizing unspent budgeted resources. Finance staff will monitor all funds during the fiscal year and will ask for additional appropriations if needed.



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

## Fiscal Impact

Short-Term Impact: \$1.5 million

Long-Term Impact: Annual review and calculation

## Strategic & Comprehensive Plan Impact

### [Strategic Plan Impacts:](#)

Primary Impact: Organizational Excellence, Secondary Impact: Secondary, Tertiary Impact: Tertiary

### [Comprehensive Plan Impacts:](#)

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

## Legislative History

Date	Action
9/18/23	B208-23 Adopting FY 2024 City Classification and Pay Plan: <a href="#">(B208-23)</a>

## Suggested Council Action

Adopt resolution authorizing compression pay adjustments for permanent unrepresented employees and employees in positions represented by the Water and Light Association.