



MEMORANDUM

City of Warrenville

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DATE: FEBRUARY 17, 2026

TO: MAYOR AND CITY COUNCIL

AGENDA ITEM: FINANCIAL PRACTICES & POLICIES DOCUMENT UPDATES

STAFF CONTACT: ALMA MORGAN, ASSISTANT CITY ADMINISTRATOR 

Background:

As part of the annual budget process, City staff review the City of Warrenville Financial Practices and Policies document to identify any gaps, address new policies, or amend existing language. Approved revisions are incorporated into the final adopted FY 2027 Budget. For FY 2027, staff evaluated the section governing employee salaries and wages.

Analysis:

Upon review of the policy section entitled *Salary, Wage and Employee Benefit Budgeting and Management Policy*, staff identified areas requiring clarification or amendment. The following summarizes the recommended changes. A red-lined and clean version of the policy is attached for reference.

- Updated the General Fund expenditure percentage to more accurately reflect the approximate share allocated to employee wage and benefit costs.
- Clarified how base pay is adjusted when an employee's compensation falls below the minimum of the applicable salary range.
- Amended the Cost-of-Living Adjustment (COLA) section to specify that employees hired after March 1, which is 60 days prior to the start of a new fiscal year, are not eligible for the May 1 COLA increase. The applicable COLA amount is known at the time of hire and is considered in the employee's starting salary.
- Amended merit pay language to clarify that employees must complete one full year of employment to be eligible for a merit increase.
- Updated the Administrator Authority section to reflect an amendment previously approved by City Council on June 7, 2021.

Recommendation:

Direct staff to incorporate the proposed revisions into the Financial Practices and Policies document as part of the final adopted FY 2027 Budget.

Attachments:

1. Revised Salary, Wage and Employee Benefit Budgeting and Management Policy.

Salary, Wage and Employee Benefit Budgeting and Management Policy

Overview

Historically, approximately ~~6~~75% of the General Fund expenditures in any given fiscal year are committed to employee wage and benefit expenditures. Budgeted payroll projections are based on estimates of authorized positions. ~~The~~ City employee population is comprised of non-represented and represented full-time employees, as well as non-represented part-time employees.

Compensation Assumptions

The stated goal of the City's compensation plan is to pay Warrenville's employees at the 50th percentile of the City's 15 comparable communities. ~~A~~ bi-annual salary survey of the City's 15 comparable communities shall be conducted, ~~in order~~ to assess the City's non-represented, position-by-position, salary proximity to the 50th percentile. ~~A list of the City's comparable communities is included as~~ Appendix "B" entitled "Fifteen Comparable Communities", provides the list of comparable communities and.

Appendix B-1, entitled "*Bi-Annual Salary Survey for Non-Represented Positions Evaluation Guidelines Policy*", details how the position classification ranges are evaluated and ~~to be~~ adjusted.

as a result of the bi-annual salary survey When salary ranges are adjusted as a result of a salary survey or other approved action, any employee whose base pay falls below the minimum of the new salary range shall have their pay adjusted to the minimum of the range, effective the date of the range adjustment.

Cost of Living Adjustment (COLA) increases for non-represented employees ~~shall are to be~~ considered annually as a part of the City's annual budget process. ~~The basis for COLA recommendations shall consider increases will be~~ the December Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) published figure obtained from by the Federal Bureau of Labor Statistics, ~~as well as~~ comparisons to ~~the~~ increases contained in the City's collective bargaining ~~union~~ agreements, and local economic conditions.

~~The~~ Assistant City Administrator or City Administrator/Budget Officer typically presents a recommendation for ~~the~~ non-represented employee COLA increases effective ~~the coming~~ May 1, ~~annually in March~~ during a City Council ~~meeting closed session~~ meeting held in March of each year.

Employees hired after March 1 (60 days prior to the beginning of a new fiscal year) shall not be eligible to receive the COLA increase effective May 1. However, they will be eligible for the next COLA cycle the following fiscal year.

Adjustments made solely to bring an employee's compensation to the minimum of the approved salary range following a range adjustment shall not be considered a cost-of-living adjustment.

Merit increases for non-represented employees ~~shall be~~ ~~are to be~~ based on the completion of one (1) full year of continuous employment and upon an annual employee performance evaluation ~~covering~~ ~~the prior~~ evaluation period, year and then ~~accordance with the~~ City of Warrenville Employee Compensation Plan Merit Increase Matrix, attached as Appendix "B-2G". Merit increases reflect performance-based progression within an established salary range and do not include adjustments made solely to align pay with the minimum of the approved salary range.

-Merit increases ~~shall~~ ~~are to~~ be paid ~~out~~ with the regularly scheduled City pay date that encompasses May 1st.

~~Any employee that has not completed his/her probationary period by May 1, is eligible for a non-retroactive, merit increase as of the date of the successful completion of the probationary period, utilizing the same City of Warrenville Employee Compensation Plan Merit Increase Matrix and performance evaluation. Employees who have not completed one (1) full year of employment as of May 1 are not eligible for a merit increase for that evaluation cycle and may become eligible either on their one-year anniversary date of employment or during the next fiscal year annual merit cycle following completion of one full year of employment. Merit increases shall not be granted upon completion of a probationary period and shall not be applied retroactively.~~

Employees who are at the top of their salary range as of effective May 1st ~~may be eligible~~ ~~have the ability~~ to receive a Top of the Range cash merit bonus. ~~This payment~~ ~~payment, which~~ is not included in the base ~~hourly~~ rate of pay. The amount of ~~the~~ ~~is~~ lump sum payment shall equal ~~is~~ the difference between the top step ~~of for~~ the ~~given~~ employee's assigned salary range position and the calculated annual wages resulting following the from completion of the applicable merit increase ~~annual performance evaluation process.~~

Compensation for The City's ~~represented employees is governed by~~ ~~compensation plan is controlled by~~ the applicable ~~collective bargaining agreements~~ between the City and the respective unions.

Authorized Strength

Annually, and prior to the start of each fiscal year, the Assistant City Administrator or City Administrator/Budget Officer will present an Authorized Strength Ordinance, for City Council consideration and adoption. This ordinance is a listing of all city-wide positions (full-time and part-time) and the number of employees authorized to fill each position.

The Authorized Strength Ordinance may be revised at any time during the fiscal year when a position, or the number of employees for a given position, is to be permanently increased or decreased. A revised Authorized Strength Ordinance must be presented to the City Council for consideration.

Zero Based Staffing

During the course of a given fiscal year, a position may become vacant due to retirement, resignation, or layoff. Department Heads are required to complete a Zero Based Staffing form to justify the departmental and City-wide need for filling the vacant position. The form is

submitted to the City Administrator for review and determination whether or not to authorize filling of the position.

Administrator Authority – Wage Adjustments

The City Administrator, with the consent of the Mayor, has the authority to adjust the wage rate of an existing employee up to 5% within their approved salary range and to grant one additional week of vacation for an existing employee or job candidate as deemed appropriate in order to attract or retain a quality employee. This authority is limited to non-union employees. ~~Further, any adjustment to wages or vacation under this policy, is limited to one time per employee and~~ must be reported to the City Council.

This policy is limited to special circumstances as determined by the City Administrator. Examples of special circumstances may include potential loss of a high performing employee, increase in job responsibilities, or some other unique circumstance.

For an existing employee, the department head shall provide the City Administrator 1) a brief memo identifying a special circumstance justifying the adjustment, and 2) a completed Pay Adjustment Request Form (Appendix A) or Vacation Benefit Adjustment Form (Appendix B). The City Administrator will review the request and make a recommendation to the Mayor. If both the City Administrator and Mayor approve the request, the City Administrator will initiate a payroll change form. ~~A copy of the memo and forms will be maintained in the employee's personnel file.~~

If the City Administrator, with the consent of the Mayor, negotiates one additional week of vacation benefit time with a prospective employee, the Administrator will provide a copy of the completed Vacation Benefit Adjustment Form to the Assistant City Administrator. The Assistant City Administrator will note the negotiated benefit time in the employment offer letter, which will be maintained in the employee's personnel file. (Policy adopted by City Council October 4, 2010 and revised on June 7, 2021)

Salary, Wage and Employee Benefit Budgeting and Management Policy

Overview

Historically, approximately 65% of the General Fund expenditures in any given fiscal year are committed to employee wage and benefit expenditures. Budgeted payroll projections are based on estimates of authorized positions. The City employee population is comprised of non-represented and represented full-time employees, as well as non-represented part-time employees.

Compensation Assumptions

The stated goal of the City's compensation plan is to pay Warrentville's employees at the 50th percentile of the City's 15 comparable communities. A bi-annual salary survey of the City's 15 comparable communities shall be conducted to assess the City's non-represented, position-by-position, salary proximity to the 50th percentile. Appendix "B" entitled "*Fifteen Comparable Communities*", provides the list of comparable communities and Appendix B-1, entitled "*Bi-Annual Salary Survey for Non-Represented Positions Evaluation Guidelines Policy*", details how the position classification ranges are evaluated and adjusted.

When salary ranges are adjusted as a result of a salary survey or other approved action, any employee whose base pay falls below the minimum of the new salary range shall have their pay adjusted to the minimum of the range, effective the date of the range adjustment.

Cost of Living Adjustment (COLA) increases for non-represented employees shall be considered annually as a part of the City's budget process. COLA recommendations shall consider the December Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) published by the Federal Bureau of Labor Statistics, comparisons to increases contained in the City's collective bargaining agreements, and local economic conditions.

The Assistant City Administrator or City Administrator/Budget Officer typically presents a recommendation for non-represented employee COLA increases effective May 1, during a City Council meeting held in March of each year.

Employees hired after March 1 (60 days prior to the beginning of a new fiscal year) shall not be eligible to receive the COLA increase effective May 1. However, they will be eligible for the next COLA cycle the following fiscal year.

Adjustments made solely to bring an employee's compensation to the minimum of the approved salary range following a range adjustment shall not be considered a cost-of-living adjustment.

Merit increases for non-represented employees shall be based on the completion of one (1) full year of continuous employment and an annual employee performance evaluation covering the prior evaluation period, in accordance with the City of Warrentville Employee Compensation Plan Merit Increase Matrix, attached as Appendix "B-2". Merit increases reflect performance-based progression within an established salary range and do not include adjustments made solely to align pay with the minimum of the approved salary range.

Merit increases shall be paid with the regularly scheduled City pay date that encompasses May 1st.

Employees who have not completed one (1) full year of employment as of May 1 are not eligible for a merit increase for that evaluation cycle and may become eligible either on their one-year anniversary date of employment or during the next fiscal year annual merit cycle following completion of one full year of employment. Merit increases shall not be granted upon completion of a probationary period and shall not be applied retroactively.

Employees who are at the top of their salary range as of May 1 may be eligible to receive a Top of the Range cash merit bonus. This payment is not included in the base rate of pay. The amount of the lump sum payment shall equal the difference between the top step of the employee's assigned salary range and the calculated annual wages resulting from the applicable merit increase.

Compensation for represented employees is governed by the applicable collective bargaining agreements between the City and the respective unions.

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