



The Village of
Golf Manor OHIO®

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Memorandum

To: Village Council

From: Nathan E. Cahall, Village Administrator

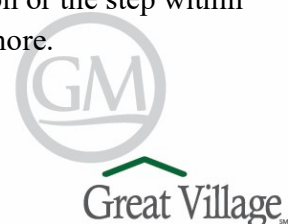
Re: Ordinance Establishing The Schedule of Compensation for Village Employees

SUMMARY

Per the direction of Village Council, staff conducted a comparative analysis of the Village's wage scales and ranges for all of the organization's job classifications. The analysis reviewed the wage scales and ranges of surrounding jurisdictions in the Cincinnati metropolitan area of comparable size and scope of operations. The review included not only wage data, but also other compensation components related to pension pick-up, health insurance cost sharing, accrued leave cash-out allowances, etc. Based on the comparative analysis, the proposal before Council updates the Village's pay system to be more market competitive to assist in recruitment and retention efforts while also balancing the Village's current and future financial position to ensure on-going core service delivery. The proposed schedule of compensation establishes a replacement compensation system for the existing structure adopted by Council in 2022.

The proposal provides a wage step system for all positions, with the exception of the village administrator which is handled by an employment contract approved by Council. Upon hire or promotion, employees are placed at a particular step within their job classification's pay range. The proposed system establishes nine steps for each position. Based on annual performance evaluation results, employees can move to the next subsequent step in their range. The proposal includes a 3.5% differential between steps with an overall 31+% span from initial step to final step for each position. At the discretion of the Village Administrator and within established budget limitations, an employee may progress an additional step within their pay range based on documented exceptional performance and recommendation of their department head.

Although new hires typically start at the first step in their pay range, the ordinance provides for new hires, based on objective factors such as prior experience, certifications, budget limitations, and operational needs, to place a new employee up to the mid-point of their job classification's range with the approval of the Village Administrator. Placement above the mid-point, would require Council approval. For promotional situations, an employee would be placed in the first step of the new promotional position or the step within that position's range that affords at least a 5% increase in annual wages, whichever is more.





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Aside from the provisions summarized previously, there are two components of the proposal before Council that should be noted. First, the ordinance contains a provision for employees who have progressed to the final step within their respective pay range. Based on annual performance review results, those employees would be eligible for a lump sum bonus payment of 2% of their annual base pay. This is a common provision of surrounding jurisdictions. The second item relates to “acting” pay. Due to position vacancies, there is a need for an employee to temporarily act in a promotional position until a permanent replacement for that vacancy has been hired/promoted. The proposed ordinance would afford an employee placed in a promotional acting position an increase in pay of either the lowest step for that promotional position, or 5%, whichever is more.

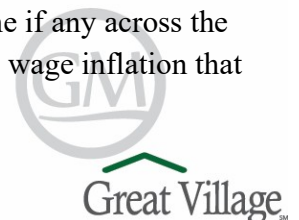
FISCAL ANALYSIS

The Village has gone four years without comprehensively updating its pay schedule for employees, with the exception of a partial update related to sworn police personnel. The proposal will result in an increase in personnel costs for the Village, but those costs are minor in nature and will not materially impact the financial position of the Village going into 2027.

INITIAL IMPLEMENTATION AND PLAN MAINTENANCE

Upon the effective date of the ordinance, which is proposed to be January 1, 2027, current employees would move to the step within their job classification nearest to their current rate of pay, without reducing the rate of pay, after the referendum period has expired. Depending upon where each employee’s rate of pay falls compared to the new schedule, some employees may witness a slightly higher or lower adjustment than others. This is an unavoidable means by which to comprehensively implement the new system.

Looking beyond the initial implementation of the proposal, the new structure provides a more manageable and objective process to determine compensation levels for employees which also assists in budgeting for personnel costs today and into the future. The current system that this proposal replaces has a level of subjectivity for determining rates of pay at hiring, upon promotion, and upon a positive annual performance review. The new proposal provides a higher level of structure to fairly and equitably make pay determinations that are based on uniform, preestablished, objective measures. Under the proposed structure, Village Council places compensation decisions with management based on the uniform and objective parameters established by the ordinance; all having to be administered within annual budgetary boundaries established by Council. By doing so, Council virtually eliminates the necessity to consider ad hoc compensation requests in the future. Council’s primary oversight of the new system will migrate to periodically reviewing how the Village measures up to the marketplace and to determine if any across the board inflationary adjustment to the steps are warranted if macroeconomic forces cause wage inflation that





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outpaces the 3.5% interval between steps. Like any compensation system, the Village would be prudent to conduct a comparative analysis every few years.

RECOMMENDATION

Staff recommends approval by Village Council of the ordinance.

