

<b>ITEM #:</b>	<b>12</b>
<b>DATE:</b>	<b>06-23-26</b>
<b>DEPT:</b>	<b>HR</b>

**COUNCIL ACTION FORM**

**SUBJECT: APPROVAL OF FY 2026/27 PAY PLAN**

**BACKGROUND:**

Each year the City Council approves a Pay Plan that specifies pay ranges and steps for the City’s work force. The attached FY 2026-2027 Pay Plan reflects negotiated wage settlements with the four bargaining units shown below, as well as a 3.5% scale increase for merit employee job classifications.

Actual salary increases for merit employees are performance based and are established by two factors – each individual’s performance rating, and positioning within the salary ranges for each grade. Each merit job grade has a minimum, midpoint and maximum within the pay plan. These are shown on both an annual and hourly basis.

The Pay Plan’s salary range adjustments are as follows:

IUOE-Blue Collar - CyRide (E Pay Plan)	3.5%
IUOE-Power Plant (I Pay Plan)	3.25%
IAFF-Fire (G Pay Plan)	3.5%
PPME-Police (F Pay Plan)	3.25%-3%, depending on position (plus additional for officer top step)
Merit Pay Plan (C & D Pay Plan)	3.50%

Unclassified job categories are adjusted proportionately with merit or union employees or with the relevant labor market. The statutory minimum wage is included as the scale minimum for temporary workers.

The Pay Plan includes an alphabetical listing of every approved classification in the City of Ames. This listing includes the unique code for each position, the Equal Employment Opportunity (EEO) code, the Fair Labor Standards Act (FLSA) exemption code, and the numerical pay grade.

**ALTERNATIVES:**

1. Approve the attached 2026-2027 Pay Plan.
2. Do not approve the 2026-2027 Pay Plan and direct staff to present acceptable alternatives for the non-union positions.

**CITY MANAGER'S RECOMMENDED ACTION:**

**This Pay Plan document formally establishes pay ranges and steps for City positions in FY 2026/27, not the individual employee's actual wage.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, and approve the attached FY 2026-2027 Pay Plan.

**ATTACHMENT(S):**

[City Pay Plan 2026-27 Final.pdf](#)