

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Tadd Phillips, Director of Human Resources

DATE: October 1, 2025

SUBJECT: **Approval of Revised Policy Statement 2.0, Human Resources – Section IV – Employee Performance Evaluation/Compensation Plan; Increasing the Fleet Mechanic Tool Stipend and Changing the Distribution of all Special Pays From Bi-annual to Annual.**

BACKGROUND

Policy Statement 2.0, Human Resources – Section IV: Employee Performance Evaluation/Compensation Plan Policy outlines all special pays employees may receive in addition to their base salary. In the public sector, it is common practice for employers to provide allowances such as a tool stipend for fleet mechanics and a clothing allowance for police personnel assigned to non-uniformed roles, including those in the Criminal Investigations Division (CID).

The fleet mechanic tool stipend was added to the policy on September 11, 2023, and is currently set at \$500 annually, distributed in two equal installments—one in October and one in April. Similarly, the CID clothing allowance is disbursed biannually, following the same October and April schedule.

ANALYSIS

Investing in high-quality tools yields meaningful benefits for both the City and its employees. Quality equipment enables mechanics to work more efficiently and accurately, ultimately improving service delivery. Precision tools help ensure tasks are completed to exact standards, which enhances the quality of work and minimizes the need for rework.

Additionally, durable tools reduce the likelihood of malfunctions or breakage, directly contributing to workplace safety and reducing injury risk. While the upfront investment may be higher, the long-term savings from reduced replacement needs and improved performance present a strong return on investment.

Beyond operational benefits, providing professional-grade tools also sends a clear message of support for our employees. When staff feel equipped and valued, morale improves, which can positively impact productivity and retention.

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To support these outcomes, the tool allowance will increase from \$500 to \$1,500 per year. This adjustment is included in the approved FY26 budget.

The revised policy also modifies the distribution of the clothing allowance and fleet mechanic tool stipend from bi-annual to annual disbursement, with all payments taking place in October. This change is intended to streamline the payroll administration process while enhancing the purchasing power of employees receiving these allowances.

CITY STAFF'S RECOMMENDATION

That the City Council approve the policy as set forth in the caption above.