



Illinois Heartland Library System

TO: IHLS Finance Committee
FROM: Leslie Bednar
DATE: January 10, 2022
RE: Market Salary Adjustments

Background

Our current salary grades were approved by the IHLS Board of Directors on April 27, 2021. At that time, the board also approved six staff members which were under the minimum of their ranges to be adjusted to the minimum amount. This was to ensure that every staff member would be placed within their salary range. This was the first phase of the market benchmarking and compensation structure development project.

The second phase of this project was to develop a formula to place every staff member appropriately in their salary ranges. The HR and Finance Directors worked together on this placement and reviewed it with an associate from HR Source. The additional salary amounts that would be needed to place all staff members appropriately within their ranges were determined. The current year expenditures for each fund were estimated out for the remainder of the fiscal year. The salary placement adjustments are achievable in FY2022 with the estimated budget savings. The estimated budget savings are a combination of personnel, vehicle expenses, travel, supplies, telecommunications, professional, and contractual services.

The appropriate staff placement within ranges is necessary to retain the current staff members that are currently improperly placed. There will also be a time and monetary savings for the recruiting and onboarding of new staff members when staff have previously resigned due to a better pay at another organization. If we can make these adjustments now, we can plan to begin FY2023 at the appropriate salary levels and budget accordingly.

Impact

Below is a summary of the estimated budgetary savings and the estimated budgetary impact for the staff members to appropriate salary placement by fund for six months of the fiscal year. The total estimated impact includes the hourly/salary amount of wages plus the benefit portion of social security, medicare, worker's compensation, unemployment, and IMRF contributions.

IMAGINING TOMORROW ~ DELIVERING POSSIBILITIES TODAY!

<u>Fund</u>	<u>Estimated Budgetary Savings</u>	<u>Estimated Budgetary Impact for 6 Months' Salary & Benefits at Proposed Placement</u>
General Fund	\$330,480	\$113,740
CMC Fund	\$17,735	\$16,974
OCLC Fund	\$3,548	\$2,579
SHARE Fund	\$99,263	\$56,453
Total	\$451,026	\$189,746

These adjustments would include an average increase of 20% over current salaries for the 50 staff impacted by the new placements.

The proposed salary placement updates will be presented to the Executive Committee and require final approval by the board at our January 25 meeting. The salary changes noted above would be effective January 1, 2022, and retroactively paid on the February 4, 2022, payroll.

Please let me know if you have any questions. Thank you for your thoughtful consideration.