



## **Consent Item**

**RE:** 2024 Merit Increases

**Department/Program:** Administration/Finance

**Recommendation:** Staff recommends that the Board approve a salary increase of 3% for all full-time staff effective April 1, 2024.

**Explanation:** Historically the award of merit increases for staff is made after receipt of final year-end sales taxes as a gauge of current economic conditions. Sales tax revenues for 2023 totaled \$11,598,226, which is below the amended budget by \$191,774 or 1.6%, and below the original budget by \$123,774 or 1.1%. Collections surpassed those in 2022 by 1.2% or \$140,688.

The City still anticipates a healthy surplus in 2023 despite the sales tax shortfall. Step increases for salaries will be required for uniformed police personnel under their collective bargaining agreements.

Along with merit increases, an additional increment will be added to the salaries of any employee with one or more years of service if that salary is being brought up to the new minimum for their range. This change was discussed during the budget process as a retention tool and is reflected in legislation, which is before the Board for approval tonight.

A merit raise of 3% was budgeted for 2024.

**Submitted By:** Denise Keller, Finance Officer

**Date:** February 21, 2024