



CONSENT ITEM

RE: 2023 Merit Increases

Department/Program: Administration/Finance

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 2022 totaled \$11,457,538, exceeding the amended budget by \$279,538 or 2.5%.

Sales taxes are \$827,944 or 7.8% higher than those received in 2021. Drilling down into the variance from the prior year, capital improvement and parks sales taxes increased over 2021 by 7.8%, the public safety tax increased by 9.9% and the county sales tax increased by 9.4%. TIF taxes decreased by 16.7%. Because the TIF District terminated in October, the City received both top and bottom half sales taxes collected in November and December from that District as capital improvement, parks, and county sales taxes. Bottom half TIF taxes received in the last two months of the prior year were \$46,909.

A merit raise of 3% was budgeted for 2023.

Recommendation: Staff recommends that the Board approve a salary increase of 3% for all full-time staff effective April 1, 2023.

Submitted By: Denise Keller, Finance Officer

Date: February 21, 2023