



**CITY OF BELLE ISLE, FLORIDA
CITY COUNCIL AGENDA ITEM COVER SHEET**

Meeting Date: July 13, 2022

To: Honorable Mayor and City Council Members

From: B. Francis, City Manager

Subject: Approval of Budget Committee Recommendation for Inflationary Adjustment

Background: The Budget Committee reviewed a request by the City Manager to use ARPA funds to provide a stipend to City employees to help with the increased inflation rate that has occurred nationwide.

Over the recent months, we have seen a dramatic increase in the cost of goods and services. Inflation accelerated further in May, with prices rising 8.6% from a year ago for the fastest increase since December 1981, the Consumer Price Index for All Urban Consumers (CPI-U) increased 1.0 percent in May on a seasonally adjusted basis after rising 0.3 percent in April, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 8.6 percent before seasonal adjustment. The increase was broad-based, with the indexes for shelter, gasoline, and food being the largest contributors. Even though we've seen a slight increase in the cost of fuel, it is still up over \$1.70/gal. a year ago. These three items impact our employees most significantly.

This would be considered "premium pay" under ARPA and is an eligible expense. When the City Council considered bonuses for the employees last year, they were not approved. As this would be "premium pay" it would not compound over the years as a pay increase would. The City Manager would not receive this stipend.

Staff Recommendation: Approve the recommendation.

Suggested Motion: I move we approve the recommendation of the Budget Committee to provide a stipend to City Employees.

Alternatives: Do not approve the recommendation or reduce the stipend.

Fiscal Impact: \$4,265/employee (except the CM) using ARPA funds. The total amount would be \$127,950.

Attachments: CM Memorandum to Budget Committee