

COBURG CITY COUNCIL MONTHLY REPORTS



TOPIC: Resolution 2021-03, A Resolution Amending the Salary Scale and Approving Retro-Pay for Supervisory Staff of the City

Meeting Date: January 12, 2021

Staff Contact: Tim Gaines, Finance Director

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REQUESTED COUNCIL ACTION:

Adopt Resolution 2021-03, A Resolution Amending the 2020-21 Salary Scale and Approving Retro Pay for the Supervisory Staff of the city.

Suggested Motion:

"I move to adopt resolution 2021-03, A Resolution Amending the 2020-21 Salary Scale and Approving the retro-pay of the supervisory staff of the City."

CITY COUNCIL GOAL

Responsible Fiscal Stewardship

BACKGROUND

During the 2021 budget season there was a concern regarding the effects of the Covid-19 emergency. As we did not know if the City would see a decline in revenues and thus have to make budget cuts, the supervisory staff declined the 2% COLA and step increases so that hourly staff would receive theirs. The Council accepted this with the direction that if the City revenues came in as expected, then they would consider the restoration of the supervisor COLA and step increases. It was agreed that the Finance Department would come back after the first of the year with a recommendation on this topic.

BUDGETED REVENUES

As of December 31, 2020, the revenue line items that most support the personnel costs of the City are all exceeding budget expectations by 5-10%. This includes the Property Tax Receipts, and Water, Sewer and Street utility receipts. It is expected that they will continue with this trend for the fiscal year of 2021.

The Cost of providing a retro pay for a 2% COLA for all supervisors and City Administrator will be approximately \$4,500. The cost of providing a retro pay increase to those employees who would have earned it by December 31, 2020 will be approximately \$2500.00. The overall

budget increase for providing for the COLA and the step increase for all eligible Supervisors at their anniversary will be approximately \$20,000. This includes an increase of 2% for the City Administrator who also declined an increase and did not receive one per her contract approved in November. This requires that the Council specifically approve this increase separate from the other supervisors as the contract language reads:

ADJUSTMENTS. Upon each anniversary of employment, the City Council shall review Employee's performance annually to determine annual merit salary increases. Employee shall also receive any cost of living adjustments (COLA) received by the administrative management employees of the City during the period of this Agreement.

The City Administrator's anniversary of employment is January 9.

These costs would result in a supplemental budget adjustment in the spring with a contingency adjustment required. The General Fund has \$250,000 budgeted in contingency.

There has been a concern raised that this is the second year that we have made an adjustment in January. While this is true, the two incidents are coincidental but largely unrelated.

In the 2020 budget year the Council requested that a higher COLA be paid out than was included in the budget. At that time the City budgeted a COLA that was average to other Cities, but was not the highest COLA paid out in any one City. The Council elected to go with a higher COLA and therefore requested that this be brought to them in January to consider.

In 2021, there was true concern as to how Covid-19 would affect the City. The Supervisors wanted to ensure that if Covid-19 put stress on the budget due to lower revenues, then the COLA and step increases of the hourly employees they manage would not be put at risk. Therefore, they elected as a team to not budget for COLA's and step increases for themselves. The Council agreed to this, but also agreed that they revisit this in January and would make a decision on re-establishing the COLA and Step Increase.

Making changes in January to personnel costs is not usual and should not be anticipated in future years.

RECOMMENDATION

Staff presents the following options to the City Council.

1. Approve Resolution 2021-03 as written
2. Approve Resolution with amendments to reflect Council's intentions for the retro-pay to staff and adjustments to Salary Scale.
3. Do not approve and the budget and salaries will remain as they are for supervisors for the remainder of fiscal year 2021.
4. Do not approve and direct staff to bring this report back at a later date.

5. The Council may elect to not include the City Administrator in Step Increase portion and to discuss it at a later date or at the next contract period.

Staff recommends that the COLA and the merit increase be approved for all eligible supervisory staff and the City Administrator.

NEXT STEPS

If option one is selected, then the Finance will move forward to provide retro pay to the City Supervisors including the City Administrator. In addition, supervisors who have not already passed their anniversary of employment will receive any scheduled one-step pay increases at the time of their anniversary.

ATTACHMENTS

Draft Resolution 2021-03
Draft Amended 2021 Salary Scale

REVIEWED THROUGH:

Anne Health, City Administrator
Sammy Egbert, City Recorder

RESOLUTION 2021-03

A RESOLUTION AMENDING THE SALARY SCALE AND APPROVING RETRO-PAY FOR SUPERVISORY STAFF OF THE CITY.

WHEREAS, the City of Coburg has adopted a salary and classification schedule in the June, 2020 for the 2021 Fiscal Year; and

WHEREAS, The Salary Scale did not reflect a 2% COLA Increase for supervisory positions due to concerns over the Covid-19 emergency and therefore is being amended to reflect a 2% increase in positions; and

WHEREAS, The City Council gave direction to revisit the reinstatement of the COLA and merit increases after the first half of the year based upon City successfully collecting revenues per budget; and

WHEREAS, The Council is also approving the 2% merit increase to the City Administrator per her contract agreement upon her anniversary; and

NOW THEREFORE, BE IT RESOLVED by the City of Coburg:

The amended Salary Schedule attached is hereby adopted as the Official Salary Schedule of the City of Coburg for Fiscal Year 2020-21.

The Council hereby reinstates the 2% COLA Increase to the Supervisory staff.

The Council hereby reinstates the 1-step merit increase (2%) to eligible Supervisory staff on the anniversary of their employment date.

The Council hereby grants a merit increase of 2% to the City Administrator per the contract requirement.

Adopted by the **City Council** of the **City of Coburg**, Oregon by vote of __ for and __ against this 12th day of January, 2021.

Ray Smith, Mayor

ATTEST:

Sammy L. Egbert, City Recorder