

CITY OF GUSTAVUS

POLICIES AND PROCEDURES

TITLE: CITY OF GUSTAVUS POLICY AND PROCEDURE FOR ANNUAL REVIEW AND ADJUSTMENT OF SALARIES AND WAGES IN THE OPERATING BUDGET

BACKGROUND:

Gustavus Code of Ordinances, Title 3, Personnel sets forth requirements for hiring and managing city paid personnel. Consistent with the provisions of revised Title 3, the "City of Gustavus Benefits Policy," refers only to non-wage benefits.

COG Section 3.04.070 - Performance evaluation of regular position employees, paragraph (c) states: "Employees in regular positions shall be evaluated by the mayor, or the employee's immediate supervisor if other than the mayor. Any recommendations for bonuses or merit-based salary or wage raises or change of status will be brought before the city council for consideration in the next budget cycle."

This new policy and procedure document provides direction to the Mayor for an annual review of wages and salaries for all employees to be conducted in, and integrated with, the annual development of the operating budget for the forthcoming fiscal year.

POLICY:

The Gustavus City Council recognizes City employees are a vital resource performing public services. Fair compensation is key to assuring employees are satisfied and productive to those ends. The City of Gustavus intends to compensate employees fairly upon review of relevant economic factors. The purchasing power of employees' pay, however, may be eroded by inflation. Furthermore, employee skills can evolve with experience and relevant training, augmenting their job performance and providing increased value to the community. Performance reviews may suggest pay adjustments. Each year the City Mayor proposes a new operating budget which, in accordance with City of Gustavus Resolution CY19-16, conservatively balances revenues with expenses, including the costs of employee compensation, and considers carefully the potential for unanticipated reductions in revenue, or increases in costs due to emergencies, such as may occur during the fiscal year or in future fiscal years.

Each year when the City Mayor proposes a new operating budget, it should include a review of employee wage and salary rates in comparison to appropriate inflation and labor market factors listed below and should consider whether adjustments are needed to assure the City is compensating employee performances fairly and. Employee compensation adjustments must be sustainable under projected ongoing revenues and expenses and should be in the best interest of the City, its citizens, and employees.

PROCEDURE:

As the Mayor and administrative staff each spring develop the Mayor's proposed operating budget, the Mayor shall review pay rates and anticipated hours for each position based on position duties, responsibilities, educational requirements, and relevant experience and, with consideration of but not limited to, the following economic, labor market, and performance factors:

Attached:
CY23-05

1. The Alaska inflation rate for the previous calendar year determined from the Anchorage Consumer Price Index.
2. Compensation for similar positions in comparable rural communities with relevant economic factors such as the community tax burden as determined in the Alaska Department of Commerce, Community and Economic Development Alaska Taxable Report, Per-Capita Tax Revenues Table (latest edition).
3. Market rates for relevant positions in Alaska municipalities as referenced in the Alaska Municipal League's Local Government Salary and Benefit Survey (latest edition).
4. Other local and state labor market factors relevant to position duties, responsibilities, educational requirements, and relevant experience as may be discernible from reliable news reports and from economic data published by State and Federal agencies or other reputable economic research sources.
5. Job-relevant individual achievements and certifications that have demonstrably enhanced an employee's productivity as identified in performance reviews.
6. Projected City tax revenues, expenses, and the ability to fund any recommended pay increases.

The Mayor and Treasurer shall develop a spread sheet for each position showing the existing pay rate and hours, any recommended changes to the rate and hours, and indicating the net change in budget required for the proposed changes. The Mayor shall develop a narrative on pay adjustments for inclusion in the budget to be presented to the council and the public.

Signed

Mayor of the City of Gustavus

Date