



CITY COUNCIL MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA - City Manager

DATE OF MEETING: April 8, 2024

ITEM TITLE: Resolution approving salary/wage increases effective July 1, 2024

BACKGROUND:

This resolution is for all City Employees except the City Manager. It identifies the effective bi-weekly salary rate for all salary employees to be effective July 1, 2024. This equates to a 3% raise for all positions as discussed during the Budget review process, with the exception of those employees who are completing the final year of the 5% raises authorized for three years to remedy a pay equity situation.

DISCUSSION:

As discussed during the Budget process, ensuring that wages are keeping up with increased costs is critical for maintaining employee morale and retention efforts. There are many studies that identify that if you cannot afford to give someone a raise, then you certainly cannot afford to go through a rehiring process when that individual leaves the organization – not to mention the institutional knowledge that leaves with them if that results.

For reference, the U.S. Bureau of Labor Statistics states that the Consumer Price Index, Midwest Region – February 2024 shows an increase in the cost of goods and services of 2.8% over the past 12-month period. Using the U.S. Bureau of Labor Statistics CPI Inflation Calculator, something that cost \$100.00 in February of 2023 now costs \$103.15 in February of 2024 – equating to an inflation rate of 3.15%. It seems appropriate that a 3% raise is essentially holding the line for our employees – which seems prudent given our budgetary situation.

RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of Support and Empower Workforce. This item helps achieve that vision by ensuring that we are at least keeping up with the rate at which costs are increasing.

FINANCIAL CONSIDERATION:

The funds to pay for salaries for the organization come from a variety of funding sources within the FY2025 budget.

RECOMMENDATION:

Staff recommends a motion to approve and authorize the Mayor to sign the resolution that approves the salary/wage increases effective July 1, 2024.