



CITY COUNCIL MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA - City Manager

DATE OF MEETING: May 12, 2025

ITEM TITLE: Resolution approving salary/wage increases effective July 1, 2025

BACKGROUND:

This resolution is for all City Employees except the City Manager. As discussed during the Budget review process, this allows for a 3% base raise, with an additional 1% merit raise possible based on performance review scores.

DISCUSSION:

As discussed during the Budget process, ensuring that wages keep up with increased costs is critical for maintaining employee morale and retention efforts. There are many studies that suggest 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 in the event of such a result.

For reference, the U.S. Bureau of Labor Statistics reports that, as of March, the Consumer Price Index for the Midwest Region shows a 2.7% increase in the cost of goods and services over the past 12-month period. Using the U.S. Bureau of Labor Statistics CPI Inflation Calculator, an item costing \$100.00 in March of 2024 now costs \$102.39 in March 2025, equating to an inflation rate of 2.39%.

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 at the beginning of the pay period which includes July 1, 2025.