REQUEST FOR COUNCIL ACTION

Title:	Request for Council Action - Resolution No. 26 for 2022 - A Resolution Establishing Salary Schedules for Non-Represented Employees
Preferred Agenda:	June 28, 2022
Submitted By:	Brandon Neish, Finance Director
Reviewed By:	Christy S. Wurster, City Manager Pro Tem
Type of Action:	Resolution _X_ Motion ___ Roll Call ____ Other ____
Relevant Code/Policy:	SHMC § 2.48.030 – Adoption and Amendment of Rules Sweet Home Charter Section 6 Sweet Home Personnel Policy Section 3 (c)
Towards Council Goal:	Goal 2.1: Update & streamline process Goal 2.3: Invest in long-term staff stability & training Goal 2.5: Continue to implement best financial practices
Attachments:	Resolution No. 26 for 2022

Purpose of this RCA:

To review Resolution No. 26 for 2022 awarding cost-of-living adjustments to City non-represented employees.

Background/Context:

The City of Sweet Home respects and appreciates its employees and recognizes the important role they play in the organization and community's success. Reviewing a salary schedule meets legal requirements, promotes transparency, and demonstrates a continued commitment to compensating staff for their efforts and contributions to the city.

Section 6 of the City Charter states, "Salaries. The council shall fix the compensation of all city officers and employees."

SHMC 2.48.030 states, "Personnel rules shall be adopted and amended by resolution of the City Council. The rules shall provide means to recruit, select, develop and maintain an effective and responsive work force and shall include policies and procedures for employee hiring and advancement, training and career development, job classification, salary administration, retirement, fringe benefits, discipline, discharge and other related activities. All appointments and promotions shall be made in accordance with the personnel rules without regard to sex, race, color, age, religion or political affiliation; and, furthermore, shall be based on merit and fitness."

Included in the attached resolution is a proposed cost of living adjustment (COLA) of 3.25% for the 2023 fiscal year. This increase exceeds the amount proposed during the budget process and no changes were made to personnel budgets for the 2023 fiscal year to support the additional increase. The proposed budget contained 3% increases for non-represented employees.

The other change made to the schedule includes removing the steps for the City Manager. During the application process in 2022 to fill the vacant City Manager position, the City Council voted to set the salary range at $120k to $150k. Upon selection of a City Manager, a salary will be negotiated and established in their contract.

The Challenge/Problem:

How does the City balance paying employees a market wage while ensuring increases are fair and appropriate?

Stakeholders:

- City of Sweet Home Citizens – These non-represented positions are the leaders of the organization and impact the quality-of-service offerings of the city. The community will feel the effects of these changes. Citizens also deserve transparency in government.
- City of Sweet Home Staff – These changes aim to improve our market competitiveness in a "job seeker's economy." Good employees are hard to find and without a fair salary schedule and our ability to recruit and retain quality employees who develop the processes within the organization and continue the push toward an efficient and effective organization is greatly hampered.
- Sweet Home City Council – Charter, SHMC §2.48.030 and past policies and practices dictates that the Council is responsible for personnel rules including salary administration.

Issues and Financial Impacts:

The estimated cost of the proposed COLA is $51k across all funds. This includes additional tax requirements and retirement contributions that will increase as salary increases. The fiscal year 2023 budget includes salary adjustments for all employees of 3% (~$49k). If COLAs for non-represented employees exceeds 3%, budgeted contingencies could cover the additional amounts required. A transfer of appropriations would likely be required in 2023 to cover the necessary increases.

Elements of a Stable Solution:

Sweet Home must have a fair and equitable salary schedule to recruit and retain employees.

Options:

1. *Do Nothing* – Resolution No. 21 for 2021 would remain in place and non-represented staff would not receive salary increases on July 1.
2. *Move to approve Resolution No. 26 for 2022.* – Salary increases for non-represented staff would increase 3.25%.
3. *Recommend a different COLA to be adopted in July.* The City Council could choose to approve a rate above or below the proposed 3.25%. Staff would return at the next Council meeting with an updated schedule for review and approval.

Recommendation:

Staff recommends option 2, *move to approve Resolution No. 26 for 2022*.