

CONSENT ITEM

RE: 2018 Salary Increases

DEPARTMENT: Administration

PROGRAM: Finance

RECOMMENDATION: Staff recommends that the Board approve a salary increase of 3% effective April 1, 2018.

EXPLANATION: On July 1, 2018 the new LAGERS contributory plan will become effective, requiring full-time staff to contribute 4% of their salary towards retirement benefits. In order to help employees make this financial transition, staff incorporated a 3% merit increase into the 2018 budget. Salary increases over the past 10 years have alternated between a maximum of 2% and 4%; the salary increase in 2017 was 2%.

Prior to approving salary increases in recent years, the board has requested updated revenue information for the city. At the time of budget preparation in November sales tax collections from existing sources were lagging behind 2016 by 5.3%. With the final three months of receipts in, that number is reduced to 4.6% with October – December receipts in 2017 exceeding that same period in 2016 by \$15,696 (.8%).

Not included in the figures above are the receipts from the new public safety tax. In 2017 these totaled \$366,376. Total sales tax collections from all sources in 2017 are \$8,209,945. This total exceeds the final budget by \$60,945 (.7%).

SUBMITTED BY: Denise Keller

DATE: February 20, 2018