

# **CONSENT ITEM**

**RE:** 2016 Merit Raises

**DEPARTMENT:** Administration

**PROGRAM:** Finance

**RECOMMENDATION:** Staff recommends that the Board approve a merit increase of 3% for all full-time staff effective April 1, 2016.

**EXPLANATION:** At the September 28 Budget Workshop, the Board authorized staff to budget for a merit increase of 3% for the 2016 budget. Including the associated FICA tax and LAGERS contributions, the budgeted expense for all merit increases and pay plan adjustments to include both compression adjustments and merit checks was \$182,697. With personnel changes that have occurred, this figure actually will be less than \$174,000. Granting a 3% merit increase will ensure the City maintains competitive wages with its peer cities and will minimize the amount of money needed for pay plan adjustments in the upcoming year.

Prior to approving the merit increases, the board has requested updated revenue information for the city. Tax receipts received in the first two months of 2016 represent collections from November and December sales. Compared with collections from the same two month period in 2015, receipts are down by 2.3% or \$33,053. Because of strong sales earlier in the year though, total sales tax revenues for the 2015 fiscal year exceed the prior year by \$227,478 (2.8%) and exceed budget by \$146,158 (1.8%).

**SUBMITTED BY:** Denise Keller

**DATE:** February 12, 2016