

# CONSENT ITEM

**RE:** 2017 Salary Increases

**DEPARTMENT:** Administration

**PROGRAM:** Finance

**RECOMMENDATION:** Staff recommends that the Board approve a salary increase of 2% effective April 1, 2017.

**EXPLANATION:** A 2% increase for all full-time employees was incorporated into the 2017 budget. In 2016 the city shifted away from granting salary increases based solely on merit in favor of a modified COLA/merit system that takes into account performance as well as market conditions.

A recent salary increase survey conducted by SLACMA shows that the average merit increase being granted this year is 3%. The average COLA is 1.76%, but all cities in the survey other than Ballwin who give COLAs combine it with a merit increase or a step plan increase. The cities in our peer group for salary market comparisons are granting the following increases:

	<b>Merit</b>	<b>Step</b>	<b>COLA</b>
Bridgeton	5%	-	1%
Chesterfield	-	-	-
Clayton	3.5%	3% - 3.5%	-
Creve Coeur	3%	-	-
Hazelwood	-	2.5% – 3%	1%
Kirkwood	3%	-	-
Maryland Heights	-	4%	4%
O’Fallon	3.2%	-	-
Webster Groves	1.5%	-	1.5%

Prior to approving the salary increases, the Board has traditionally requested updated revenue information for the city. Tax receipts received in the first two months of 2017 represent collections from November and December sales. Compared with collections from the same two month period in 2016, receipts are up by 2.5% or \$35,000 despite a \$67,600 loss from reallocation resulting from SB 867. For the fiscal year 2016, sales and TIF sales taxes came in \$8,300 below budget.

**SUBMITTED BY:** Denise Keller

**DATE:** February 17, 2017