



FINANCE DEPARTMENT

DATE: August 4, 2016
FROM: Sheila Hillman *SH*
ITEM: 2017 Budget Request: Employee Salary Policy

REQUEST

Consider the 2017 Budget Committee recommendations for employee salary policy

Please place this item on the August 15, 2016 City Commission meeting.

BACKGROUND INFORMATION

The Budget Committee met with the Human Services Director to discuss the employee salary increases for 2017. The Director provided proposed salary increases for comparable cities which included 3.05% for Minot, 3.44% for Grand Forks and 2% for Fargo. He recommended a 3% increase. He also stated the employment cost index (ECI) was 1.7 for the second quarter of 2016 as compared to 1.8 in 2015. Since the ECI declined slightly this year and given the fact that the City increased all salary ranges in 2016, his recommendation would be not to increase the salary ranges. Our competitive position in the market should not be impacted. The Director also presented a request for an equity increase for Public Safety employees to help address salary compression.

The cost of a 1% salary adjustment is identified as follows:

FUNDS	1%
General Funds	247,809
MPO	1,564

Special Revenue Funds

Government Grants & Activities

Police	2,329
Public Health	3,535
Roads & Streets	20,237
Street Lights & Traffic Signals	5,208
Vision Fund	997

Internal Service Fund

Fleet Services	6,210
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Enterprise Funds

Airport Administration, Buildings & Operations	12,690
Event Center	13,523
Public Works Solid Waste	19,577
Public Works Utility Operations	36,433

Grand Total	370,112
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For 2017 The Budget Committee is recommending a 3% salary adjustment based on performance and that the salary ranges be maintained at the 2016 levels.

General Funds	743,427
MPO	4,692
Special Funds	96,918
Internal Services Fund	18,630
Enterprise Funds	246,669

RECOMMENDED CITY COMMISSION ACTION

Approve the 3% employee salary increase based on performance and maintain the 2016 salary ranges for the 2017 budget

STAFF CONTACT INFORMATION

Sheila Hillman: shillman@bismarcknd.gov or 355-1600