
REQUESTED COUNCIL MEETING DATE: JULY 16, 2018

ITEM: COUNCIL BILL No. 2018-510

ORIGINATING DEPARTMENT: FINANCE DEPARTMENT

ATTACHMENTS: 1) Exhibit "A" the Salary Administration Plan for Classified and Unclassified Positions 2) Exhibit "B" the Salary Administration Plan for Part-Time and Seasonal Positions 3) Schedule "C" Budget Amendment Schedule

Finance Director: Leslie Haase

Human Resources Director: David Allgood

City Attorney: Peter Edwards

City Manager: Sam Anselm

INTRODUCTION:

This Council Bill adopts a new step pay plan as the Salary Administration Plan for classified and unclassified positions. Additionally, this council bill separates the current step pay plan as the Salary Administration Plan for part-time and seasonal positions. The fiscal year 2018 budget is being amended to grant the pay adjustments from adopting a new step pay plan.

DISCUSSION:

The Salary Administration Plan is the system that is maintained and utilized to hire and retain city employees. The City Council last adopted a new pay plan on October 1, 2012 in the form of a performance and competency-based plan. Due to budget constraints, the City froze wage increases for the 2015 fiscal year and ceased granting raises based on pay for performance. The pay bands were then converted to pay ranges.

The ranges removed any mechanism for employees to move *through* the pay ranges as budget allows. The entire pay plan was increased for the 3% wage adjustment granted for the 2017 fiscal year and for the 2% wage adjustment granted for the current fiscal year. While employees received these raises, if their employment began with the City after November 1, 2012, then that employee currently makes the same rate as new employees due to the makeup of a range system. A step pay plan gives employees a method of progressing through the established pay range for their position. Furthermore, each employee will be placed on at least the step that corresponds to the years of service in their current position. As a result of the implementation of the proposed pay plan, the ***estimated average*** increase for currently filled positions is 3.6%.

The City's main revenue source is sales tax. The ten-year average sales tax growth for Joplin is approximately 2%. Therefore, the proposed pay plan implements 2% steps in order to achieve a more sustainable pay plan for the long-term financial stability of the City.

The effective date for the new pay plan is August 4, 2018, which will be reflected on the August 24 paycheck. The budget is being amended in the amount of \$211,345 to reflect

the estimated payroll increase for the remaining three months of the fiscal year. The total estimated cost of adopting the new pay plan as set forth is \$845,000. The additional cost to the general fund is being funded by the changes from the financial sustainability report already approved by Council.

RECOMMENDATION:

Staff recommends approval of this Council Bill on an emergency basis.