

STAFF REPORT

Date: June 14, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Resolution of the City Council amending Resolution No. 9067, adopting a cost-of-living salary increase of two and one-half percent for employees in the Regular PERS Fund and a three-and-five-eighths percent cost-of-living salary increase for affected employees in the Police/Fire PERS Fund and amended salary schedule for Management Employees to cost \$218,035 for the 23-24 fiscal year; together with other matters properly relating thereto.

From: Jesse Puett, Labor Relations Manager

Department: City Manager's Office – HR

Summary:

The City Manager has requested that the Management salary schedule be amended, and that the employees in the Regular PERS fund in this group receive a corresponding cost-of-living salary increase of two and one-half percent (2.5%), effective July 14, 2023. Classifications in the Police/Fire PERS fund would instead receive a corresponding cost-of-living salary increase of three and five-eighths percent (3.625%), effective July 14, 2023. In addition to these salary increases, the NVPERS contribution rates for these groups are increasing by a total of three and three-quarters percent (3.75%) for the Regular PERS fund members and six percent (6.00%) for the Police/Fire PERS fund members, effective July 14, 2023. In accordance with Nevada Revised Statute (NRS) 286.421, this increase is to be split equally between the City of Reno and the employee resulting in a salary decrease of one and seven-eighths percent (1.875%) and three percent (3.00%) respectively. As such, the net increase to employee salaries is five-eighths of a percent (0.625%).

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

Cost-of-living increases for Management employees within the pay-for-performance model date back to Council Resolution No. 5389 in 1997. Since that time, numerous Council resolutions

have periodically adjusted the group's pay ranges and authorized the City Manager to apply performance awards to base wages. The pay band structures were increased steadily through 2007 (Council Resolution Nos. 5389, 5737, 6025, 6434 and 6864). In 2011, the group received a downward 7.5 percent adjustment (Council Resolution 7614). In 2013, the band structure was reduced by one percent (1%) for fiscal years 13/14 and 14/15 (Council Resolution 7856.) In January, 2019, the Management group received a three percent (3%) salary increase commensurate with the CPI, but the pay band structures were not adjusted by resolution at that time. In January, 2020, Council approved a two and one-half percent (2.5%) increase to both the pay-for-performance salary band for Management employees and the base salaries of the group by two and one-half percent (2.5%). In July 2022, Council approved a seven percent (7.0%) increase to both the pay-for-performance salary band for Management employees and the base salaries of the group by seven percent (7.0%) retroactive to July 1, 2022. In August 2022, Council approved a resolution adopting a market adjustment for the Assistant City Manager, Chief of Staff, Chief of Police, Fire Chief, and Director of Finance/Chief Financial Officer classifications, effective January 1, 2023. The action before Council would adjust the pay-for-performance salary band for Management employees upward by two and one-half percent (2.5%), and increase the base salaries of the group by two and one-half percent (2.5%).

Discussion:

The Management group is comprised of 22 employees occupying department management positions. The City Manager has requested that Management salaries for positions in the regular NVPERS fund and pay band structure be increased for cost of living by two and one-half percent (2.5%) and Management salaries for positions in the Police/Fire NVPERS fund and pay band structure be increased for cost of living by three and five-eighths percent (3.625%), effective July 14, 2023.

In addition to the increases, there is also a salary reduction for this group of employees equal to 1.875% for Regular PERS fund members, and 3% for Police/Fire PERS fund members effective July 14, 2023, as a result of a NVPERS contribution rate increase. This reduction is required under NRS 286.421. This results in a net 0.625% increase to the salary schedule for this group.

Financial Implications:

This 0.625% increase represents an additional \$218,035 for the period July 1, 2023 through June 30, 2024.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council approve the Resolution adopting a cost-of-living increase and amended Management Salary Schedule.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Management Salary Schedule

Management COLA – Resolution 2023