



## Finance Department

David P. Schmiedicke, Finance Director

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**TO:** Mayor Rhodes-Conway and the Finance Committee

**FROM:** David Schmiedicke, City Finance Director

**DATE:** January 29, 2024

**RE:** Ordinance 3.54(6)(c)4 – Compensation of Managerial Employees

Ordinance 3.54(9)(c)4 requires the City Finance Director to calculate the maximum amount for salary adjustments for managerial employees. The amount is based upon the estimated percent increase associated with longevity and step increases for all employees combined with the percent increase granted to non-represented employees. The combined percentage is multiplied by the total annual salaries of managerial employees to generate a maximum amount for salary adjustments that can be provided to those employees. For 2024, the percentage increase is 6.97% and the maximum adjustment is \$337,346.12.

### Calculations

Of the 2,969 eligible City employees, 500 will receive step increases in 2024. Each step increase averages approximately 4% of base pay.

Of the 2,969 eligible City employees, 541 will receive longevity increases in 2024. Those increases average approximately 2% of base pay.

The 2024 total wage base for those 2,969 employees is \$220,702,557.27. Therefore:

The 2024 step increases are valued at:	\$1,421,280.40
The 2024 longevity increases are valued at:	<u>744,750.93</u>
Total value of steps and longevity increases is:	<u>\$2,166,031</u>

The value of these step and longevity increases (\$2,166,031) divided by \$222,702,557 equals 0.97%. The percentage salary increase granted to non-represented employees in Compensation Group 18 for 2024 is 6%.

The total percentage available for 2024 salary adjustments for managerial employees, then, is 6.97%, retroactive to the effective date of the Compensation Group 18 pay increases. The total current salary of managerial employees eligible for an increase is \$4,839,973. The maximum amount for salary adjustments pursuant to the referenced ordinances, therefore, is \$337,346

cc: Common Council