RESOLUTION NO. 2012-006
RESOLUTION ADOPTING EMPLOYEE COMPENSATION PROPOSAL

WHEREAS, the City has adopted an employee pay scale that is based on years of service; and

WHEREAS, the pay scale has not been adjusted in recent years resulting in the starting wages of City employees being less competitive with other entities; and

WHEREAS, annual step increases have been suspended since 2009; and

WHEREAS, the suspension of the annual step increases has caused salary compression whereby new City employees with no experience are making the same salary as employees with several years of experience; and

WHEREAS, while salary compression is a City wide issue it is especially prevalent within the police and fire departments; and

WHEREAS, the result of lower starting salaries and salary compression negatively impacts the morale of City employees and results in higher employee turnover and general problems with employee retention; and

WHEREAS, a compensation committee was formed to begin addressing the City's salary issues; and

WHEREAS, City sales tax revenues in 2011 are up an estimated 5.92% over the 2010 revenues; and

WHEREAS, the compensation committee has made a recommendation to use a small portion of the increase in the City sales tax revenues to begin addressing the City's salary issues; and

WHEREAS, the Mayor and City Council have reviewed the compensation committee's proposal and find that it is in the best interests of the City to adopt the committee's recommendations.

NOW THEREFORE, BE IT RESOLVED, by the City of Rapid City that the recommendations of the compensation committee, as contained in the Memorandum of the City's Community Resources Director, Jeff Barbier, which is dated January 11, 2012, are hereby adopted. The Memorandum is attached to this resolution and is fully incorporated herein.

BE IT FURTHER RESOLVED that the Mayor and City staff are authorized to do those things necessary to carry out the recommendations contained in the memorandum.

CITY OF RAPID CITY

_____
Mayor

ATTEST:

_____
Finance Officer

(SEAL)