



Memorandum

TO: Common Council

FROM: Mayor Merkes 

SUBJECT: 2009 Non Represented Employee July Wage Increases

DATE: 11 June 2009

Due to the uncertainty of both the city and state budgets for 2010 I am recommending that the city eliminate the 1% salary increase scheduled for all non-represented employees this July.

Taking action on this recommendation would freeze the midpoint of all non-represented employees at the current level through the end of 2009. Union contracts with Local 1035, 1035B and 603 for 2009-10 have not yet been approved, and this action is unrelated to ongoing union negotiations/arbitration.

We are predicting reductions in shared revenue of \$81,000 for 2010, along with substantial increases in health insurance, state retirement contribution, landfill tipping fees, road salt, and darkfiber rental costs. This could lead to a gap of \$500,000 or more in the 2010 budget. There have been ongoing discussions on creating efficiencies, and cost saving measures. Taking this action will preserve funds to help fill the gap in the 2010 budget.