



CITY OF MANZANITA

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DEPARTMENT: CITY MANAGER
STAFF REPORT
CITY COUNCIL MEETING
COUNCIL MEETING JANUARY 6, 2020

TO: Mayor and City Council
FROM: John Kunkel Interim City Manager
SUBJECT: Employee COLA

RECOMMENDATION

Council consider granting a 2.8% COLA to all employees, with the exception of the City Manager, effective January 1, 2021.

EXECUTIVE SUMMARY

In May of 2020 it was decided that due to the State of Emergency and the uncertainty of the fiscal ramifications of the emergency, that COLA increases for City employees would be reviewed later in the year when the economic impact could be better analyzed. After review of the City's current financial position, I believe a COLA increase would not adversely affect the budget.

Traditionally, the City has used the Consumer Price Index for the Portland area as its COLA indicator. For last fiscal year, the CPI for that index was 2.8%. The following Cities and public agencies have given the following COLA increases last year:

Nehalem Bay Fire-2.8%
Nehalem Bay Wastewater-3%
City of Wheeler-5%
City of Rockaway Beach-2.5%
City of Garibaldi-4%
City of Bay City-2.6%
City of Tillamook-2.3%

The Council will also have to decide if the increase will be retroactive to July 1, 2020. The council has several options:

- Grant the COLA retroactive to July 1, 2020
- Wait until the end of the third fiscal quarter, and then decide on a retroactive increase.
- Provide no reactive increase.

FISCAL IMPACT

The City's salary and wages for FY20/21 is \$884,041.00. This includes projected overtime and on-call pay. A 2.8% increase would be an approximately \$24,753.15 increase to the budget. This figure does not include the increase the City would pay on the retirement it pays into for employees. (the City Managers' salary is included in the above figures, but that position does not receive COLA increases as it is a contracted position, therefore the actual figure is slightly less than quoted).