May 25, 2021

Rapid City Common Council
300 Sixth Street
Rapid City, South Dakota 57701

Dear Council Members:

At the June 7, 2021 regularly-scheduled City Council meeting I will be presenting an item on adjusting the pay of the non-union (NU) employees who work for the City. The request will be for each employee to receive a 2-step adjustment on the current NU scale, as well as a 1.1% adjustment, or COLA, to the NU pay scale.

The rationale behind the request for 2 steps is that NU employees have not received a step increase since January 1, 2019. The COVID-19 pandemic hit our City right as we were looking toward increases in salary for NU employees to be implemented in July of 2020. We made the decision to not move forward with any increases to NU salaries in 2020 out of an abundance of caution to what the pandemic would do to our budgets. While the extreme budget downfall did not materialize it was the right move at the time with us not knowing what the pandemic would bring. By granting 2 steps in 2021 we will be ensuring that our NU employees were properly compensated for the steps that could have happened in the last two years.

The NU matrix adjustment, or COLA, is a movement of the entire NU pay scale. The request is to move the scale 1.1%, to ensure that we are not falling behind inflation. The 1.1% is based on the CPI numbers for the upper-Midwest. When we bring in new employees, often at step 1 of the NU scale, it is important that the scale be adjusted to keep up with inflation, so our wages are not falling behind expenses. The NU scale was adjusted on July, 1 2019 and 1.7% on January 1, 2021, again with no adjustment in 2020. This 1.1% will ensure that our current scale is remaining competitive.

An exciting development that I wanted to report is that the HR team has recently formed a partnership with Elevate Rapid City to use their wide array of wage tools to ensure that our new NU scale will be developed and implanted properly. Elevate has state of the art tools, employees and information about current wages in Rapid City, as well as the surrounding Counties and States. This partnership will allow us to build out and compensate our employees using real time, localized wage information.

Thank you for your consideration on this matter and I will be available for any questions.

Nick Stroot
HR Director
City of Rapid City