December 6, 2021

Rapid City Common Council
300 6th Street
Rapid City, SD 57701

RE: Non-union Wage Scale

Dear Council Members:

Over the past several months, the Human Resources Dept, the City Attorney’s Office and I have been working on the non-union wage scale.

In the last year of her official duties, former Assistant City Attorney Jessica Rogers worked with Human Resources to develop a proposed non-union wage scale. This scale looks quite a bit different than the old scale because it does not contain grades, only steps. You will not find a mixture of grades and steps in the proposed scale, but rather a list of dollar values ranging from $32,352 to $168,837. Job descriptions will only be assigned a pay range, not a grade. This allows for much more flexibility and accuracy in assigning pay ranges.

The incremental changes between steps are approximately 3% in the lower 1/3 of the scale, 2% in the middle of the scale and 1% in the upper third of the scale. This means, that a future step raise for non-union employees will result in more equitable dollar value changes between the low and high end of the scale.

I am proposing the City Council adopt the following three phases of a new non-union pay scale:

**Phase 1**

The new scale is attached to this memo. At this point, we have virtually assigned a starting point to each of the 200 non-union employees within the city. In moving to the new scale, no city employees will lose money, and some will experience a slight increase. This is done to keep the integrity of the new scale and increments.

No pay ranges for job titles are being assigned at this point, only placements on the scale. This is merely a starting point for the new scale.
I am also recommending that the Mayor’s pay scale be converted to this new scale utilizing the same procedure.

**Phase 2**

Based on the current, but apparent rising rate of inflation (now at 5.9%) I am proposing to the council a 5% cost-of-living adjustment for non-union employees. This action will literally move each step on the attached scale up 5% and represent a new starting point, including the cost of living adjustment, for non-union city employees.

In anticipation of future pay scale changes or adjustments, our finance director has budgeted in the 2022 budget a 5% increase in non-union wages.

The budget impact for a 5% cost of living adjustment would be approximately $727,879.

**Phase 3**

We are requesting to send out request for proposals (RFP) for a non-union wage study. This study by an outside entity, will result in an analysis of the wages as well as pay ranges for positions within the non-union group. The cost of this will only be known for certain once we receive the RFPs, but it is believed to be under $100,000. The funding source for this study could either be undesignated cash, or a proportional expense from the various city departments employing non-union employees.

An approximate timeline could be as follows:

- RFPs to be sent out mid-January 2022.
- Proposals to be received by the end of January 2022.
- The study phase could last several months and the proposed results and request for approval would be brought back to the City Council sometime in the 2022 calendar year.

Our plan is to have this proposal on the December 15, 2021 Legal and Finance agenda, and on the December 20, 2021 City Council agenda. Implementation of the placement would be immediately following approval by City Council and if approved, the cost of living adjustment is recommended for January 2, 2022.

If you have any questions about this or wish to discuss in more detail, please let me know.

Sincerely,

Steve Allender
Mayor