



Board of Trustees  
**WORK SESSION**  
Tuesday, August 3, 2023, 5 p.m.

**Attend in person:**  
Cedaredge Civic Center, Grand Mesa Room, 140 NW 2<sup>nd</sup> St.

**Attend virtually:**  
On Your Computer: <https://bit.ly/3d0MZWI> | Password: 443001  
On Your Phone: 253-215-8782 | Webinar ID: 874 9904 6934 | Password: 443001

*Please note decisions are not made at Work Sessions*

**\*\*\*\*BOT Members will meet at the Cedaredge Food Bank at 4 pm**

- 1) Call to Order & Pledge of Allegiance
- 2) Town of Cedaredge Employee Wage Scale
- 3) Capital Asset Management Plan

# MEMO

Date: August 1, 2023  
To: Mayor and Board of Trustees  
From: Kami Collins, Town Administrator  
Tammy Francis, Finance Director



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**Subject: Considerations for Wage Scale Increases**

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Included in the packet is a spreadsheet that shows the current Board-adopted 2023 Wages for each department; at the bottom of the sheet, per the Board's request, are figures showing the impact to the entire budget if the Board were to adopt 100%, 97%, 95% or 92% of the data figures presented by Trustee Hart at the last wage work session. The percentages in each category reflect the total, overall budget increase, however, Staff broke out what the increase to just the General Fund would be on an annual basis. Those figures are noted for the Board.

- Right now, before wage increases, the overall labor + benefits portion of the total budget is 36.07% of total budget.
  - Providing services to the community is the primary role of local government, therefore it makes sense that more of the budget is put towards the cost of providing those services: employee wages.
  - With updated numbers, should the Board choose to implement the 100% wage scale, it would add 13.66% to the budget, for a total overall labor and benefit compensation of 49.73% of the budget. While high compared to perhaps private sector, local governments and public entities typically spend between 41-60% of their budgets on labor and benefits. This [article](#) is a few years old, but still has good and relevant information on the overall percentage spending of labor and benefits of local public entities vs. state vs. federal entities. This more recent [source](#) shows that total spending on wages for local government employees can be upwards of 61.8% of employer costs.
- There is a human element behind the strict black and white numbers before the Board. Staff used the 100% scale for additional considerations that aren't accommodated for in the data:
  - There are three staff whose salaries in the dashboard represent only one of their jobs. These staff members handle multiple jobs. In other organizations, those roles would be split among several staff members and a salary and benefit package budgeted for each of those staff. Cedaredge, maintaining its small staff size, instead elects to combine roles normally held by multiple people. The Cedaredge community benefits by having three people do the jobs of a minimum of six people, but the staff are not paid for all roles they perform. Instead of trying to balance the multitude of salary ranges for the multitude of roles, these three employees were instead estimated a 6% increase for discussion purposes. The total dollar amount of these two salary increases is \$9,637. That figure is represented in the overall increase of 13.66%.
  - There is one front line employee who is very close to the 100%, but who still is not making a living wage. Should the Board consider staff increases at the 100%

level, this employee would receive a negligible increase. Therefore, Admin Staff estimated a 6% increase over the 100% wage study in an effort to protect staff morale and equability. The total dollar increase to the budget for this is \$3,276, also accommodated within the total 13.66% increase.

- Should the Board look at the other percentage increase of 97%, 95% or 90%, more employee anomalies exist, meaning that in order to be fair, equitable and protect employee morale, more individual employees will need to be considered on a case-by-case basis for a percentage increase that makes sense for the employee while also protecting the organization.
- All figures represented for discussion are dated from 7/1/23. Should the Board decide to implement wage increases, those increases are accommodated for with the July 1st date.
- A timely [article](#) appeared in the 7/31/2023 Associated Press, explaining that public employers are experiencing one of the largest surges in pay raises in 15 years due to a number of factors, many of which cited in the article Cedaredge has or is experiencing.
- Even with all the work on law enforcement salaries, Staff remains concerned it simply isn't enough. We have two neighboring municipalities that are actively working on implementing \$28 per hour as a starting wage for new officers. The 100% wage scale is great for current employees and will get Cedaredge more in line with regional departments, but will not be enough to encourage new recruits. The article cited above speaks directly to public safety with lagging wages.
- Michael Santos an attorney for Bechtel and Santos and the Town of Cedaredge's employment law attorney, gave a webinar for the Western Colorado Human Resource Association (WCHRA) where he stated it was encouraged to have a wage study completed by December 31, 2023. After the initial wage study, he also encouraged every employer to conduct a wage study every two years, ensuring compliance with Senate Bill 19-085 and Senate Bill 23-105.
- The Board questioned where salary increases would come from. The majority of wages and benefits are paid out of the General Fund. Staff looked at General Fund Reserve balances going back to 2018:
  - 2018 increase \$50,762
  - 2019 increase \$162,973
  - 2020 increase \$205,846
  - 2021 increase \$633,402
  - 2022 increase \$441,309These figures come from the audited Annual Comprehensive Financial Reports (CAFR). 2021 and 2022 had higher than typical increases due to the federal COVID/ARPA funds, however, these funds have been or are in the process of being spent. This shows that the General Fund has shown a healthy increase year over year because revenues have increased year over year.

It is recognized how challenging it is for the Board to balance competing requests for the same pool of dollars, and on behalf of the entire Staff of the Town of Cedaredge, thank you to the

Board for your thoughtful and persistent review of the wage data to ensure the organization is both serving its public and serving its employees to the best of our ability.

2023 Current wages

Date of Hire	Admin	PD	Building	Court	Transportat	Parks	Water	Wastewater	Golf	TOTAL
Status										
Step										
FTE										
Salary	\$ 329,236	\$ 473,088	\$ 15,616	\$ 7,200	\$ 115,999	\$ 22,811	\$ 245,294	\$ 198,169	\$ 260,932	\$ 1,680,644
call out pay	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ 114	\$ 800	\$ 572	\$ -	\$ 2,287
Salary Total 105	\$ 329,236	\$ 473,088	\$ 15,616	\$ 7,200	\$ 116,800	\$ 22,926	\$ 246,094	\$ 198,740	\$ 260,932	\$ 1,682,931
Taxable Benefit 110	\$ 2,400	\$ 2,400	\$ 300	\$ -	\$ 525	\$ 75	\$ 1,575	\$ 525	\$ 2,400	\$ 10,200
Total Salary	\$ 331,636	\$ 475,488	\$ 15,916	\$ 7,200	\$ 117,325	\$ 23,001	\$ 247,669	\$ 199,265	\$ 263,332	\$ 1,693,131
Overtime Wages 115	\$ 200	\$ 3,900	\$ -	\$ -	\$ 525	\$ 75	\$ 1,025	\$ 475	\$ 2,000	\$ 8,200
On Call Wages 120	\$ -	\$ 7,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,440
Total Salary/Wages	\$ 331,836	\$ 486,828	\$ 15,916	\$ 7,200	\$ 117,850	\$ 23,076	\$ 248,694	\$ 199,740	\$ 265,332	\$ 1,708,771
Social Security 125	\$ 25,385	\$ 37,242	\$ 1,218	\$ 551	\$ 9,015	\$ 1,765	\$ 19,025	\$ 15,280	\$ 20,298	\$ 130,721
w/Medicare										
W/Comp Class										
W/Comp Rate										
Worker's Comp 135	\$ 287	\$ 8,890	\$ 181	\$ 6	\$ 3,216	\$ 526	\$ 5,571	\$ 3,805	\$ 2,828	\$ 25,315
State Unemployment 140	\$ 664	\$ 974	\$ 32	\$ 14	\$ 236	\$ 46	\$ 497	\$ 399	\$ 531	\$ 3,393
Health Plan 145	\$ 47,232	\$ 85,128	\$ -	\$ -	\$ 34,503	\$ 4,929	\$ 66,489	\$ 48,831	\$ 36,312	\$ 323,424
Retirement (CRA) 155	\$ 21,661	\$ 26,683	\$ -	\$ -	\$ 6,863	\$ 980	\$ 14,014	\$ 9,772	\$ 3,859	\$ 83,833
Life Insurance 160	\$ 683	\$ 1,092	\$ -	\$ -	\$ 287	\$ 41	\$ 696	\$ 478	\$ 273	\$ 3,551
Long Term Disab 170	\$ 1,218	\$ 1,950	\$ -	\$ -	\$ 429	\$ 61	\$ 908	\$ 644	\$ 476	\$ 5,686
Total Benefits	\$ 97,130	\$ 161,959	\$ 1,430	\$ 571	\$ 54,549	\$ 8,349	\$ 107,201	\$ 79,209	\$ 64,577	\$ 575,923
<b>Total Labor</b>	<b>\$ 428,966</b>	<b>\$ 648,787</b>	<b>\$ 17,346</b>	<b>\$ 7,771</b>	<b>\$ 172,399</b>	<b>\$ 31,425</b>	<b>\$ 355,895</b>	<b>\$ 278,950</b>	<b>\$ 329,909</b>	<b>\$ 2,284,694</b>

											% change
100% 2023 Wage Study	\$ 484,534	\$ 783,049	\$ 17,346	\$ 7,771	\$ 189,906	\$ 33,926	\$ 386,307	\$ 302,690	\$ 378,039	\$ 2,596,814	
<b>Annual Increase</b>	<b>\$ 55,568</b>	<b>\$ 134,262</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,507</b>	<b>\$ 2,501</b>	<b>\$ 30,412</b>	<b>\$ 23,740</b>	<b>\$ 48,130</b>	<b>\$ 312,121</b>	<b>13.66%</b>
Jul-Dec 2023	\$ 27,784	\$ 67,131	\$ -	\$ -	\$ 8,753	\$ 1,250	\$ 15,206	\$ 11,870	\$ 24,065	\$ 156,060	
					GF annual ir	\$ 209,838					
97% 2023 Wage Study	\$ 474,847	\$ 759,902	\$ 17,346	\$ 7,771	\$ 185,316	\$ 33,270	\$ 376,848	\$ 295,928	\$ 375,022	\$ 2,539,496	
<b>Annual Increase</b>	<b>\$ 45,880</b>	<b>\$ 111,115</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,917</b>	<b>\$ 1,845</b>	<b>\$ 20,953</b>	<b>\$ 16,978</b>	<b>\$ 45,114</b>	<b>\$ 254,802</b>	<b>11.15%</b>
Jul-Dec 2023	\$ 22,940	\$ 55,557	\$ -	\$ -	\$ 6,458	\$ 923	\$ 10,476	\$ 8,489	\$ 22,557	\$ 127,401	
					GF annual ir	\$ 171,757					
95% 2023 Wage Study	\$ 468,389	\$ 748,963	\$ 17,346	\$ 7,771	\$ 182,325	\$ 32,843	\$ 370,964	\$ 291,470	\$ 368,410	\$ 2,501,727	
<b>Annual Increase</b>	<b>\$ 39,422</b>	<b>\$ 100,176</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,926</b>	<b>\$ 1,418</b>	<b>\$ 15,069</b>	<b>\$ 12,520</b>	<b>\$ 38,502</b>	<b>\$ 217,033</b>	<b>9.50%</b>
Jul-Dec 2023	\$ 19,711	\$ 50,088	\$ -	\$ -	\$ 4,963	\$ 709	\$ 7,534	\$ 6,260	\$ 19,251	\$ 108,516	
					GF annual ir	\$ 150,942					
92% 2023 Wage Study	\$ 459,417	\$ 728,511	\$ 17,346	\$ 7,771	\$ 178,605	\$ 32,311	\$ 363,824	\$ 286,208	\$ 362,634	\$ 2,449,874	
<b>Annual Increase</b>	<b>\$ 30,451</b>	<b>\$ 79,724</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,206</b>	<b>\$ 887</b>	<b>\$ 7,929</b>	<b>\$ 7,258</b>	<b>\$ 32,725</b>	<b>\$ 165,180</b>	<b>7.23%</b>
Jul-Dec 2023	\$ 15,225	\$ 39,862	\$ -	\$ -	\$ 3,103	\$ 443	\$ 3,964	\$ 3,629	\$ 16,362	\$ 82,590	
					GF annual ir	\$ 117,267					

## Capital Asset Management Plan

Mayor Richard Udd

- **What is it?**
- **What is its benefit to the Town of Cedaredge?**

The Town of Cedaredge maintains some level of reserves in each of the Town's funds. However, there is no set criteria for the required amount of these reserves. We simply do not know if these reserve are adequate to meet our operating needs and our future capital asset replacement costs. Generally, reserve funds have two components:

- An unrestricted reserve that is typically two to three months operating costs to cover unforeseen events and
- A capital asset reserve that is adequate to cover expected future capital asset replacement costs. The funds held in this Capital Asset Reserve are determined by an analysis of the expected life of the asset and the replacement or refurbishment costs; that is, a Capital Asset Management Plan. assets owned by the Town including the date the asset was put into operation, the expected lifetime of the asset, and the replacement or refurbishment cost. This database is then subjected to a cash flow analysis that shows what the annual level of cash should be held in the capital asset reserve to satisfy future capital asset replacement. This cash flow analysis provides an estimate of the amount of funding to be deposited into the capital asset reserve each year. Expenditures for capital asset replacement are drawn from the capital asset reserve. Note that the funds in the capital reserve are explicitly tied to particular capital items in the inventory and are not discretionary like funds in the unrestricted reserve. The capital reserve analysis replaces most of the items in the Capital Improvement Vision leaving only new capital items in the Capital Improvement Vision listings. .

The capital asset listing includes all traditional capital items like computers, automobiles, police radios, etc. but should also include streets, bridges, buildings, waterlines, and sewer lines.

The benefit to the Town is that our long-term capital needs and the funding to satisfy them are well known and that the Town can confidently include in their annual budgets the funding to build the reserves to satisfy those needs. We will not know whether we need to allocate additional funding to the reserves or whether the reserves presently hold enough cash to satisfy the capital needs until we complete a reserve analysis. It may even be that we presently have more funding in the reserves than we need which could be released to pave a street or put in a sidewalk or even fund tennis courts refurbishment.