



## Office of the Mayor

Tracy Welch, Mayor

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City Clerks Office  
Lincoln, Illinois

MAY 05 2023

May 5, 2023

RECEIVED

2:50 P.M.  
TSB

Dear City Council,

I hereby advise you that I have returned without my approval, disapproved, and vetoed, portions of the following resolution within the time prescribed by law:

### RESOLUTION 2023-476

RESOLUTION ESTABLISHING SALARIES AND/OR PAY INCREASES FOR THE CITY OF LINCOLN

I am specifically vetoing Section 3 of this resolution.

I have always been a firm believer in standing behind the decision of the council, which is why I do not take this action lightly. I strongly believe that employees are the most important element to the success of any business or organization. Without our employees, we are not able to provide essential services to the community, and they all deserve a fair and equitable wage.

Throughout the F.Y. 2023/2024 budget process, the Budget Committee, which consisted of Treasurer Conzo, Alderman Hoefle, and Alderwoman Horn, met with department heads and me to discuss projected expenses and determine whether the city could cover those expenses based on projected revenues. Those expenses included salary increases. At the conclusion of the process, the budget committee unanimously agreed to send the draft budget to the council for consideration, which Treasurer Conzo did via email on April 3, 2023, not in the 11<sup>th</sup> hour as suggested otherwise. He then sent the council a revised draft on April 6, 2023, and presented the draft budget to the council in the Committee of the Whole Meeting on April 11, 2023. During the April 17, 2023, Budget Workshop, Alderman Bateman specifically asked if the budget included enough money to cover the salary increases and members of the budget committee nodded their heads in confirmation. He then asked if there were any concerns regarding salary increases and none were raised. A final revision of the draft budget was sent to the council by Treasurer Conzo on April 12, 2023, to address an adjustment to the TIF. The council then unanimously approved the F.Y. 2023/2024 budget on April 25, 2023, during the Special Voting Meeting. This action is what allocated funds for expenses throughout the fiscal year, to include salaries.

For the past several years the council has approved a resolution, after the budget is approved, to set salary increases for those employees whose salary is not addressed by a collective bargaining agreement. In 2022, department heads were given a 7% increase and non-union clerical employees were given a \$4,000 raise. The justification for those salary increases was that department heads should make more than those they supervise, and the non-clerical staff was underpaid in comparison to others in similar roles at comparable municipalities. We knew that the \$4,000 increase would not bring the non-union clerical employees up to where they should be, but it was an incremental approach to close the gap. The intention was to then evaluate the budget in the following year and determine if we could close that gap further if we could do so with minimal impact to the budget. That analysis was done during the F.Y. 2023/2024 budget process and the draft was unanimously approved by the budget committee to allow for department heads to receive a 5% salary increase, except for a 7% increase for the Building & Safety Inspector, and a \$4,183 increase for the non-union clerical employees to complete closing the gap that was identified in the previous year.

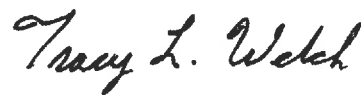
Unfortunately, the council did not approve the full recommendation of the budget committee on May 1, 2023; more specifically the salary increases for non-union clerical employees were amended to \$2,500. Those employees are the only ones who consistently, year after year, must wonder whether they will fall further and further behind because of the process that dictates compensation for their performance. An opinion that was shared in the May 1, 2023, meeting was that department heads should not make less than those they supervise. Therefore, department heads are likely to receive at least 4% for the next three years because the union employees that they supervise are guaranteed a 4% salary increase each of those years as part of collective bargaining agreements. Meanwhile, salary increases for the non-union clerical employees are not set using any guidelines other than opinion and subjectivity. This includes the opinion that all employees should receive the same percentage across the board. I realize that percentages are often used to set salary increases but this is only fair and equitable if the salaries for ALL employees are already at a base that is comparable to those in similar roles in other municipalities. To put things into perspective a 4% increase for a department head making \$90,000 would be \$3,600. A 4% increase for a non-union clerical employee making \$37,000 would be \$1,480. When you then consider all employees receiving the same flat amount, you can easily see that percentages are not always fair or equitable.

In addition, the effect that the proposed salary increases may have on businesses was mentioned. This is a great point. When employees anywhere receive a salary increase, that additional money is likely being spent locally which helps businesses and our local economy to grow. In turn, a portion of that money comes back to the municipality by way of tax revenue. This is the basic premise that our own tourism bureau operates under, and it works.

I know that there will be those who disagree, or feel this matter can be addressed next year, but I am taking this action based on the numerous phone calls, messages, and conversations that I have had with constituents since the May 1, 2023, meeting. Their message is loud and clear and that is, "Don't kick this can down the road like everything else, address it now. You're dealing with people's livelihood." I must say, I agree with them.

There are better ways to determine salary increases for the non-union clerical employees and it is beyond time that we start taking this matter seriously. Otherwise, employees in those positions will continue to fall further and further behind their peers in comparable municipalities, not to mention the cost of living. I leave this matter in your hands and hope that we can find common ground when it comes to fair and equitable wages for ALL employees.

Sincerely,

A handwritten signature in cursive script that reads "Tracy L. Welch".

Tracy L. Welch  
Mayor of the City of Lincoln