



MEMORANDUM
Office of the Administrator

To: Mayor Westcamp, City Council

From: Marsha Hall, Administrator

Copy: Jeff Green, Assistant Administrator/Finance Director; Kevin Shannon, Law Director

Date: March 24, 2014

Re: Cost of Living Adjustment

As part of the Compensation Plan adopted by Council on March 12, 2012 the following Cost of Living Adjustment schedule was adopted:

Compensation Plan Excerpt

“Every two years, City Council shall consider whether the pay schedule remains competitive within comparable jurisdictions and determine if there is a need for a “cost of living adjustment.” This may be determined by analyzing one or more of the following databases: SERB Wage Survey, CPI – U, CPI – W, Social Security Increases, and Bureau of Labor Statistics regional survey.

If an increase is warranted, the entire pay schedule (both minimum and maximum) shall be shifted. This is to avoid the range (difference between the minimum and maximum) from becoming too large. Every five years, the Municipality shall also conduct a wage survey of benchmark positions for comparable jurisdictions.

The cost of living adjustments are designed to allow the Municipality to continue to recruit and retain quality employees as it desires. Nothing in this compensation plan forces City Council to issue a wage increase.”

Databases

Several of the databases do not yet include 2013 calculations in their on-line reports. Below is an accumulation of what I have been able to obtain:



<u>Database</u>	<u>2012</u>	<u>2013</u>	<u>Total % Increase</u>
SERB Wage Survey	+ 1.11%	N/A	
Consumer Price Index	+ 1.5%	+ 1.7%	+ 3.2%
SS COLA Increase	+ 3.6%	+ 1.7%	+ 5.3%
Bureau of Labor Statistics Regional Survey (Franklin County Wage Inc)	+ 1.2%	_____	_____
Average	+ 1.85%	+ 1.7%	+ 3.55% (total of 2012 and 2013)

Adjusted Pay Scale

As a result of the pay scale adopted in 2012, as well as 2012 and 2013 merit increases, a total of fourteen (14) full-time employees (excluding police department employees) are at the maximum of their pay scale and, in lieu of a merit increase, received a lump sum payment as recognition of their performance.

Attached to this memo is a proposed adjusted pay scale using a cost of living increase of 3.55%. Of the fourteen (14) FT employees currently at maximum (assuming similar merit revenues for 2014 and 2015), five (5) would still remain at their maximum, five (5) would be eligible for a merit increase for 2014 then a lump-sum increase in 2015, and four (4) would be eligible for a merit increase in both 2014 and 2015.

Recommendation

Increase the current pay scale by 3.55%. This does NOT increase current salaries; rather it increases both the minimum, each step, and maximum pay schedules for each grade.

A wage survey of benchmark positions for comparable jurisdictions will be conducted in 2016 per the adopted Compensation Plan.

