

Draft - Salary Review Commission - Analysis of Factors for Consideration, May, 2022

This document was prepared by Salary Review Commission Chair, Lee Taylor to be reviewed and discussed by all commissioners. It is offered as a suggestion for structuring the discussion of the various factors that are considered in making salary recommendation. This draft document is intended to encourage discussion, revisions, including corrections, additions and deletions. It is hoped that this document will be edited as necessary so that it represents the combined thinking of all members of the commission.

Factors For Consideration	Questions	Comments	Anticipated Impact on Salary Recommendation
Attracting good candidates	Are the current compensation levels causing any difficulty in attracting good candidates for these positions?	It is the goal of the Commission to base the salaries of the Mayor, Council President and City Council Members on realistic standards so that citizens of the highest quality may be attracted to public service. There is no data indicating that current salary levels have impacted the ability to attract qualified candidates for for these positions. There is date indicating that the salary levels and salary increases are on average less than the salary level and salary increases in private industry.	Recommendation should be made considering the goal to keep salary levels competitive, and avoid falling behind compared to industry job salaries or falling behind in relationship with CPI and COLA.
Health care benefits	Should the current healthcare benefits package impact compensation recommendations?	The benefits for these positions is the same as other City employees and is considered to good.	No impact
Changes in consideration of being a full or part time job	Has the definition of these positions as to whether they are part time of full time jobs changed in such a way that this should be a consideration for salary recommendations?		No impact
Mayor		This position requires that the there be no other employment and is considered a full time job.	No impact
City Council President		This position does allows supplemental employment which implies that it is not required to be a full time position. Candidates for the position understand this when they make the decision to run for office. There seems to be an unwritten understanding that even though the position is very demanding, incumbents must adjust to the part-time nature of the positions	No impact
Council Member		Same as above.	No impact

Changes in job descriptions or responsibilities	Have the job descriptions or job responsibilities for these positions changed recently to the extent that this should be considered in compensation recommendation?	It is the goal of the Commission to base the salaries of the Mayor, Council President and City Council Members on realistic standards so that the elected officials may be paid according to the duties of their offices. We have limited data on this factor. We have seen evidence that there have been some organizational changes. However, we have not seen any evidence that the job descriptions or job responsibilities have changed.	No impact
The state of the City finances	Is the City revenue trending up or down in such a way that this should be a considered in salary recommendations?	We have limited data on this factor. We have had some discussion about tax revenue trends over the past year and there is evidence that revenue is trending up from last year.	No impact
The local economy	How should the local economic data impact compensation recommendation?	Information available from the Journal of Business and the City of Spokane Economic Indicators, notably - employment levels, unemployment rates, average annual wage and share of company hiring, are all strong or trending in a positive direction. There is no evidence of an impending economic downturn.	No impact
Local cost of living adjustment (COLA)	How should the data available for the cost of living (COLA) impact compensation recommendations?	Social Security Cost of Living adjustments: 2020 - 1.6, 2021 - 1.3, 2022 - 5.9. COLA is not yet established for 2023.	One of the 3 major factors impacting salary recommendations
Consumer price index	How should the CPI index impact compensation recommendations?	Depending upon the date range, it varies from 7% to 8.5%. Data shows that salary increase generally do not keep up with the increases in CPI. However when the CPI index increases, it usually increases the average amount of salary increases. A Fortune magazine survey indicates that companies are budgeting an average of 3.4% for increases in 2022, compared to 2.8% in 2021. Relevant recent history or salary increases that are the responsibility of the Commission, and CPI index is as follows: 2019 - CPI was 2.3%, increase was 1.67%. 2020 - CPI was 1.4%, increase was 1.67%. 2021 - CPI was 7, increase was 0%. 2022 - CPI is 7.9, increase was 2%.	One of the 3 major factors impacting salary recommendations

Employment Cost Index	What data do we have to show the average ranges of salary increases are given to employees nationally?	Bureau of Labor Statistics: During the 12-month period ending on March 2022, Increase in Average Cost of Wages, civilian workers 4.7% - local government workers 3.1%. Pay increases for Federal workers in the past few years have been: 2020 2.6%, 2021 1%, 2022 2.2%.	One of the 3 major factors impacting salary recommendations
Salary comparisons in other similar sized cities with the same form of Government	Is there anything in data comparing cities of similar size and similar forms of government (Mayor - City Council) that should be a factor considered in compensation recommendations for these positions?	It is difficult to find exact comparisons using the available data. However, the data does not show anything that indicates that the pay range for these positions in Spokane are inappropriately high or low in comparison to similar positions in other cities.	No impact
Salary comparisons in other cities with different forms of government and larger populations	Is there anything in the data comparing other cities with any form of government cities with larger populations and in other parts of the country that should be a factor considered in compensation recommendations?	Same as above.	No impact
Sources:			
Date provided by City of Spokane HR			
News Release, April, 29, 2022, Bureau of Labor Statistics, U.S. Department of Labor			
Cost of Living Adjustments, Social Security Administration			
General Schedule Pay Raise History, FederalPay.org			
Why Salary Increases Do Not Keep Pace With Inflation - Forbes, April 7, 2022			
Economic Indicators - City of Spokane, https://my.spokanecity.org/economicdevelopment/indicators/			
Most sectors of Inland Northwest economy are rebounding well - Spokane Journal of Business, December 16, 2022			
Consumer Price Index, Calendar Year Historical, 2017-2021, Bureau of Labor Statistics,, U.S. Department of Labor			