



CITY OF OREGON CITY

Staff Report

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To: City Commission
From: Human Resources Director, Patrick Foiles

Agenda Date: 6/21/2023

SUBJECT:

Management, Supervisory and Confidential Employee Salary Cost of Living Adjustment (COLA) FY 2023-24

STAFF RECOMMENDATION:

Staff recommends the City Commission approve a three percent (3.0%) COLA increase to salary ranges for the City's thirty-four (34) budgeted Management, Supervisory and Confidential positions for fiscal year July 1, 2023 to June 30, 2024.

EXECUTIVE SUMMARY:

Represented employees receive a COLA based increase to salary as a function of their negotiated and Commission approved collective bargaining agreements. Management and non-represented employees require separate Commission notice and approval of salary range adjustments. The recommended COLA adjustment is three percent (3.0%). The total financial impact of a 3.0% COLA for the Management employee group for fiscal year 2023-24 is approximately \$130,000 (\$173,000 with roll-ups) and is supported by the City's approved budget.

BACKGROUND:

Represented employees receive a COLA based increase to salary as a function of their negotiated and Commission approved collective bargaining agreements. Management and non-represented employees require separate Commission notice and approval of salary range adjustments.

The City Commission ratified the OCPEA and AFSCME bargaining agreements in early 2023, of which include a four percent (4.0%) COLA for OCPEA and a three percent (3.0%) for AFSCME, FY 2023-24. A three percent (3.0%) Management COLA will prevent additional compression between represented and management employee salaries and is supported by the City's approved budget.

CPI-W West, Size Class B/C (Consumer Price Index for All Urban Consumers), which reflects the buying habits of urban wage earners and clerical workers and is based on cities with populations of less than 2,500,000 in 13 Western states, increased six and one-half percent (6.5%) for the calendar year of December 2021 to December 2022. The rate was released in April 2023. The annual average for the same index in 2022 was 8.7%. The CPI has been used in the past to guide and provide context to determine an appropriate adjustment to salaries.

OPTIONS:

1. Approve the three percent (3.0%) COLA increase to salary ranges for Management, Supervisory and Confidential positions for FY 2023-24.
2. Discuss and change the percentage of the COLA increase for Management, Supervisory and Confidential positions for FY 2023-24.
3. Deny the three percent (3.0%) COLA increase to salary ranges for Management, Supervisory and Confidential positions for FY 2023-24.

BUDGET IMPACT:

Amount: Approx. \$173,000

FY(s): 2023-24

Funding Source(s): Multiple funds throughout the budget. The BY 2023-25 budget sufficiently includes this action.