



City of Stevenson

Leana Johnson, City Administrator

Phone (509)427-5970
FAX (509) 427-8202

7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

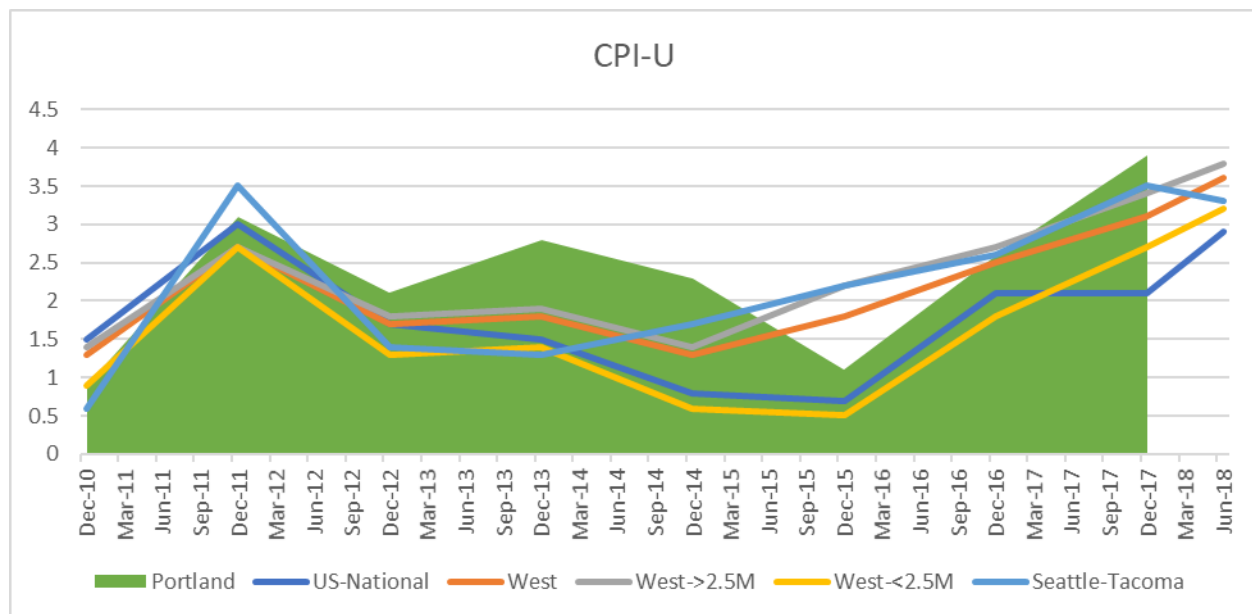
To: Stevenson City Council
From: Leana Johnson, City Administrator
RE: Staff Cost of Living Increase
Meeting Date: September 20, 2018

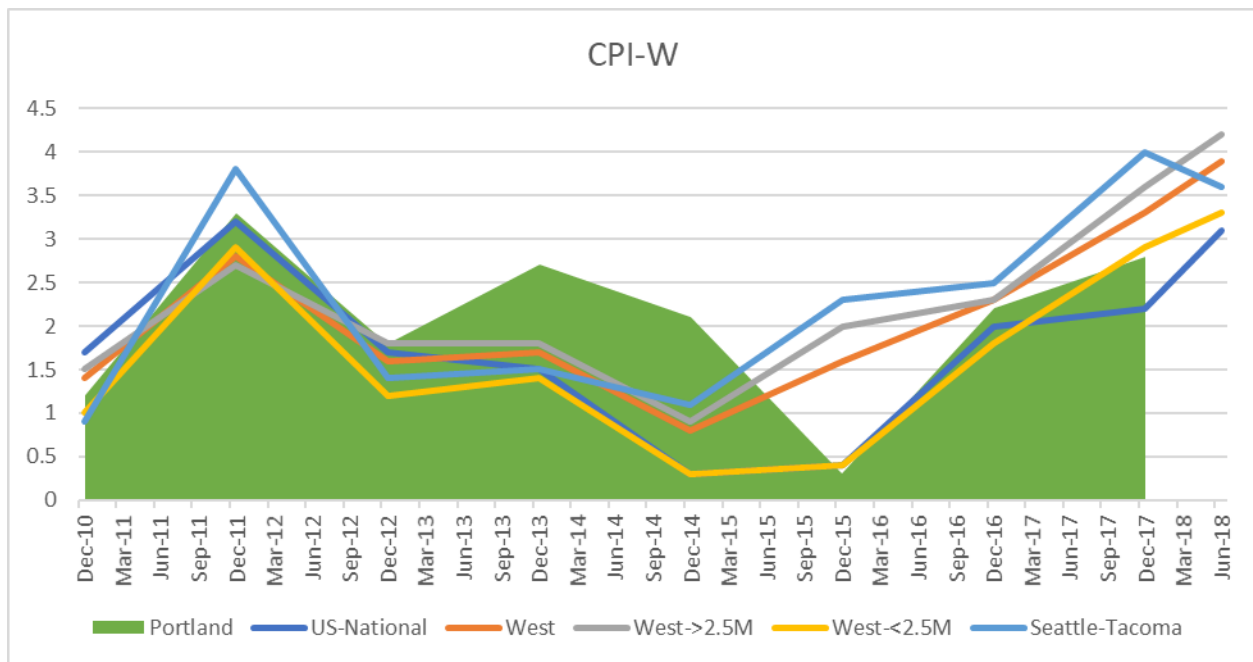
Executive Summary:

At the beginning of the budget process, staff requests council direction regarding a cost of living increase for city staff. In the past, the Consumer Price Index for Urban Consumers (CPI-U) for the Portland-Salem, OR-WA area has been used. The US Bureau of Labor Statistics has discontinued this index because it does not meet a population threshold. An analysis has been performed evaluating the remaining CPI areas available to determine the best fit going forward. Staff's recommendation is to use the West-B/C CPI-U going forward, which would be a 3.2% COLA for 2019.

Analysis:

The historic CPIs in December for both Urban Consumers (CPI-U) and Wage Earners (CPI-W) from 2010-2018 were graphed and analyzed. The CPI-W has more volatile swings from one year to the next and was ruled out. In comparing the CPI-U for the Portland-Salem area against the remaining indexes, the West-B/C (population 2.5M or less) has a trend-line that most closely mirrors the Portland-Salem index.





Conclusion:

Staff recommendation is to use the West-B/C CPI-U in for June of each year to calculate the annual cost of living adjustments for staff. This equates to a 3.2% increase to salaries for 2019. If council agrees with this direction, then the 2019 budget proposal will continue to reflect this change. If council does not agree, then another COLA amount will need to be determined by council to include in the 2019 budget proposal.