

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Cost of Living Adjustment

| Purpose | Information: | Guidance: | Decision: X |
|------------------------|---|-----------|--------------------|
| Recommendation | Approve an adjustment to the District's wage scale to reflect the 3.5% increase in the West B/C "All Urban Consumers" CPI for the twelve month period ended 6/30/2011. | | |
| Last Action | The last COLA adjustment to the District's wage scale was effective October 1, 2008 (a 5.4% increase). At the April 28, 2011 Board meeting a revised pay schedule based on the Archer Total Compensation Survey was approved by the Directors. | | |
| Discussion | <p>Although approved at the April meeting, the wage scale that was developed by Archer is to be implemented for the upcoming fiscal year. The contract with Archer for the Total Compensation Survey was approved at the February 3, 2010 Board meeting. Archer (in conjunction with the ad-hoc committee) prepared a survey that went out in May of 2010, and the draft of report was dated August 2010. As the data used to create the wage scale is now a year old, a cost of living adjustment will be made to it before it is put into use. The District uses the Consumer Price Index – West B/C (areas of less than 1.5 million in population). The change in that index from June of 2010 to June of 2011 was an increase of 3.5%, and that factor will be applied to the wage scale.</p> <p>Going forward, cost of living increases will be reviewed at the same time each year – during the budgeting process – with any adjustment being effective with the new fiscal year (October 1).</p> | | |
| Fiscal Impact | The new wage scale will be used in the upcoming budget. It will result in a 3.5% increase in the "salaries and wages" section. In addition, any expenses that are based on wages will increase. That would include: PERS contributions, payroll taxes, and workers' compensation insurance. | | |
| Communication Strategy | The employees have already been notified that the new wage scale would take effect October 1, 2011 and that the issue of an adjustment of the revised wage scale to include a cost of living adjustment would be considered by the Board of Directors. They will be informed by their supervisors and via email if the wage scale is adjusted and will receive a copy of it. | | |
| Attachments | <p>Consumer Price Indexes Pacific Cities and U.S. City Average – June 2011</p> <p>Pay Scale - Adopted 4/28/2011</p> <p>Pay Scale - As adjusted for 3.5% COLA increase</p> | | |