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## SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** February 6, 2004

**SUBJECT:** **CITIZENS COMPENSATION ADVISORY COMMITTEE  
ANNUAL REPORT**

**STAFF REPORT BY:** Gary Mumford

**ADMINISTRATIVE DEPT.** Department of Management Services – Human Resource Division

**AND CONTACT PERSON:** Vic Blanton, Classification & Compensation Program Manager

**CC:** Rocky Fluhart, Brenda Hancock, Vic Blanton, Tom Bielen, John Campbell,  
Jill Carter, Ron Coleman, Lourdes Cooke, Cori Johnson, Diane Mansfield

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The Citizens Compensation Advisory Committee was established to evaluate and make recommendations to the Mayor and City Council regarding compensation levels. The annual report of the Committee contains recommendations that are advisory and subject to the City's fiscal ability. The City Council doesn't need to take any action at this time. In the past the Administration has taken these recommendations into consideration during labor negotiations and when proposing compensation plans for the Council's consideration. Some Committee members plan to be present at the briefing to respond to questions from the Council. Brenda Hancock and Vic Blanton serve as staff for the Committee.

### MATTERS AT ISSUE:

The Committee's report contains the following conclusions and recommendations:

(Note: The report begins with a two-page executive summary.)

- Local market comparisons – The Committee's report states that salaries of Salt Lake City employees are, on average, about 6½% higher than the local market. Data comes from surveys conducted by Aon Corporation and by the Wasatch Compensation Group. For police and fire positions, comparisons were made with Sandy, West Valley, Murray and Salt Lake County. The individual comparisons for each employee group are shown on page 3 of the Committee's report.
- Benefit package comparisons – Salt Lake City benefits are high compared to the private sector, but low by about 7½% compared to other Utah local governments per surveys by Aon Corporation and the Wasatch Compensation Group. Several Utah local governments are contributing significant amounts to employees' 401k or 457 deferred compensation accounts. Some local governments were providing dental benefits. (See pages 10-11 of the Committee's report.)
- Paid leave – Salt Lake City employees receive more paid leave than a number of other Utah local governments. (See pages 11-19 of the Committee's report.) The Committee

recommends that the City's Benefits Committee undertake a review of the City's paid leave benefits.

- Turnover – Salt Lake City's turnover is exceedingly low at 3.31%, which includes voluntary quits, retirements and dismissals.
- Expected trends – The Committee reviewed the Consumer Price Index published by the Bureau of Labor Statistics for the West Region including cities with populations of 50,000 to 1,500,000. The CPI shows an increase of 1.9% over the prior year. The Wage Trend Indicator report of the Bureau of National Affairs gives a prediction of 3% salary budget increases including both merit and cost-of-living increases.
- Recommended increases – Within fiscal ability, the Committee recommends budget increases of 2½ to 3% including merit and cost-of-living adjustments.
- Elected Officials' salary study – Resolution No. 70 of 1993 requires a market study for elected officials' salary every four years. Salary adjustments in other years are based on the average increase for the City's professional employees. In 1996, the Council adopted a policy that Council Members' salaries are to be set to be one-fifth of the Mayor's salary. Since it had been four years since a market study of mayors' salaries, the Committee took a survey of U.S. capital cities with populations approximating 100,000 to 420,000 and a mayor/council form of government (full-time mayor and part-time council). Although the survey reports on both the *average* and the *median* salary of mayors, the Committee favors use of the median due to the small data set. Unadjusted median salary for mayors is \$101,324. Most of the data will be over 12 months old by July 2004. Adjusting to bring the survey up to date, results in a median salary of \$103,857. An increase of 2.2% would bring the Salt Lake City Mayor's salary to this level. The Committee suggested a 2.5% increase for elected officials to be similar to the Committee's recommendation for City employees.
- Executive employees – The Committee did not analyze the salaries and benefits of department heads and other executives. Periodically, the City takes a survey of executive salaries in public sector agencies throughout the U.S. The Committee suggests that the City conduct a survey of executive salaries and benefits sometime within the next year or two.

In addition to making recommendations to the Mayor and City Council regarding compensation levels for the City's employees, the Committee also works on other compensation-related issues that come to the Committee's attention. The Citizens Compensation Advisory Committee welcomes the opportunity to address the Council's compensation or benefit issues during the coming year. The Council may wish to consider whether there are issues that would be appropriate to ask the Citizens Compensation Advisory Committee to explore.