



November 16, 2011

To: Members of the Planning and Strategy Committee
From: Susan Krabbe
Through: Phil Nelson
CC: Chick Rhodehamel
Members of the Columbia Association Board of Directors
Subject: Proposed Salaries and Wages Percentage Increase

At the November 10, 2011 Board meeting, the Planning and Strategy Committee discussed possible salary increase percentages for the FY 13 and FY 14 budgets, but did not vote on a recommendation to the Board for a specific percentage. In order to produce a draft budget for FY 13 and draft conditional budget for FY 14, staff needs some guidance from the Board. To help the Board reach a consensus on this, we have gathered some data and are submitting a proposal. Comments were made about the economic environment in Howard County and the impact of the general economy on Columbians. While most of the data is for the county, not specifically Columbia, we learned the following:

	Unemployment Rate	Median Household Income
Columbia		\$93,801
Howard County	5.4%	\$101,417
State of Maryland	7.2%	\$69,193
National Data	9.0%	\$50,221

Per an article in the Explore Howard section of the Baltimore Sun, income tax revenues for the county are higher than projected, to the extent that the county will be able to pay for some projects without borrowing for them. The article also noted that while residential assessment values in the area being re-assessed are expected to decline, property taxes are expected to be flat due to the county's five percent cap. An interesting side note, almost 700 CA employees live in the zip codes of 21044 and 21045; almost 1,000 live in Howard County including Columbia.

We also did some research on what the salary trends are projected to be for next year. In a survey of three human resources websites, the average projected increases across the country are three percent, which was described as consistent with what was reported in June 2010 for the current year. CA's increase was an average of 2.5 percent and a maximum of three percent.

Therefore, I request that the Board approve the Salaries & Wages line increase for both FY 13 and FY14 draft budgets, exclusive of new positions, be **three percent**.