

MEMORANDUM

TO: Cherokee Nation Tribal Council

FR: Cherokee Nation Citizens Compensation Committee members –

Adair, Larry

Barger Johnson, Jennifer

Haley, Joe

Jett, Shane

Ketcher, John A.

DA: 31 July 2008

RE: Modified Salary Recommendation

On January 16, 2008, newly-appointed members of the Cherokee Nation Citizens Compensation Committee, Larry Adair, Shane Jett, John Ketcher, and Jennifer Barger Johnson met by teleconference for the first time. Pursuant to Cherokee Nation Legislative Act 40-07 §5 (D), the first order of business was to appoint a fifth member to the Committee. By unanimous vote of all four members present, Joe Haley of Muskogee was selected.

After the Committee's original recommendation, the Committee was asked for reconsideration considering that existing counselors thought it would be advisable for any salary increase to take place at the beginning of the new term and not while in office. As a result, the Committee reconvened on July 31, 2008 for reconsideration of its original recommendation. The following three recommendations resulted.

Recommendation One

Pursuant to Cherokee Nation Legislative Act 40-07 §5 (D), the Citizens Compensation Committee considered all relevant comparative market compensation levels, including available compensation information of other Tribal Governments, state and local governments, and the private sector, along with data from the U.S. Department of Labor's Bureau of Labor Statistics, and all other relevant market information. The Citizen's Compensation Committee respectfully submits the following recommendation:

- 1) **Tribal Council** – a 5 percent per year salary increase for all duly elected Tribal Council members, commencing with each member's next elected term, and continuing in August for four years;
- 2) **Deputy Principal Chief** – a 5 percent per year salary increase for the duly elected Deputy Principal Chief, commencing with the elected term beginning August 2011, and continuing in August of each subsequent year of the 2011 elective term; and
- 3) **Principal Chief** – a 5 percent per year salary increase for the duly elected Principal Chief, commencing with the elected term beginning August 2011.

and continuing in August of each subsequent year of the 2011 elective term.

In recognition of the foregoing, the Citizens Committee believes that the recommended increase of 5 percent per year for four years for all duly elected tribal officials represents a fair and equitable base salary for the Cherokee Nation of Oklahoma's elected tribal officials, who have not enjoyed a salary increase in more than 5 years. Our rationale to limit increases to the next elected term of tribal officials is based on the State of Oklahoma's model that officials cannot ever vote themselves a raise. We recognize that this will create some disparity in pay based upon the newly staggered terms of our tribal council members, but feel the suggestion is equitable.

Presently, the base salary for Cherokee Nation Tribal Council members is nearly 6.5 percent less than their counterparts in other tribes, and the recommended increase for 2011-2012 would only still place those salaries at 1.802 percent less than the average of the comparables for 2007. If those other tribes increase their salaries in the interim, we will be even further behind. Similarly, the Deputy Principal Chief of the Cherokee Nation receives 28.406 percent less than other Deputy (or Vice) Chiefs/Governors/Presidents, and the recommended 2011-2012 increase would still be 24.827 percent less than the counterpart offices of the comparatives. While the Principal Chief of the Cherokee Nation currently receives 5.343 percent less than other Chiefs/Governors/Presidents, under the proposed increase this office would move to merely 0.610 percent less than the counterpart tribal offices. For raw data received from the other tribes, please see **Appendix A** attached hereto.

Comparative Data:

1) U.S. Department of Labor, Bureau of Labor Statistics Average Base Salary Percentage Increase (2003 through 2006):

State and Local Government	= 3.65%
Private Industry	= 3.60%
Civilian	= 3.61%

2) U.S. Department of Labor, Bureau of Labor Statistics Average Base Salary Percentage Increase (2007): = 3.30%

3) Comparative Base Salary Averages:

	Chief	Deputy Chief	Tribal Council
2007 Average of Comparative Tribes/Governments ¹	\$118,790.75	\$79,953.30	\$38,975.00

¹ Average was taken by using the actual known salaries of positions. Those tribes with variable salaries (based upon scale or per meeting) were excluded for sake of certainty.

4) 2011-2012 Proposed Cherokee Nation Base Salary/Increase:

Proposed Salary for August 2011 through July 2012	\$118,066.20	\$60,103.68	\$38,272.50
Proposed Salary Change %	+5%	+5%	+5%

5) Comparisons to Average:

2007-2008 Current Salary Compared to 2007 Average	-\$6,346.75	-\$22,711.70	-\$2,525.00
% Difference from Average	-5.343%	-28.406%	-6.479%
2008-2009 Proposed Salary Compared to 2007 Average	-724.55	-\$19,849.62	-\$702.50
% Difference from Average	-0.610%	-24.827%	-1.802%

6) 2012-2013 Proposed Cherokee Nation Base Salary/Increase:

Proposed Salary for August 2012 through July 2013	\$123,969.51	\$63,108.86	\$40,186.13
Proposed Salary Change % from 2011-2012 to 2012-2013	+5%	+5%	+5%

7) 2013-2014 Proposed Cherokee Nation Base Salary/Increase:

Proposed Salary for August 2013 through July 2014	\$130,167.99	\$66,264.31	\$42,450.00
Proposed Salary Change % from 2012-2013 to 2013-2014	+5%	+5%	+5%

8) 2014-2015 Proposed Cherokee Nation Base Salary/Increase:

Proposed Salary for August 2014 through August 2015	\$136,676.38	\$69,577.52	\$44,305.20
Proposed Salary Change % from 2013-2014 to 2014-2015	+5%	+5%	+5%

Recommendation Two

The Commission recognizes that the elected officials do not have a regular cost of living increase. In recognition of the same, this Committee recommends the implementation of a cost of living increase which would begin immediately following the last pay increase term. For example, for officials elected in 2011, increases would be made under recommendation one for August 2011 through

July 2012, August 2012 through July 2013, August 2013 through July 2014, and August 2014 through July 2015. In August 2014 and thereafter each August, a regular cost of living increase, based on national averages, should be implemented.

Recommendation Three

Recognizing that the tribe should do everything possible to remain competitive with industry, the Commission recommends that all salaried positions within the tribe should be reviewed for competitiveness with comparative positions in industry. This will insure that all tribal employees are paid according to the worth of their positions, and also insure that the tribe continues to attract the best applicants for its open positions.

Appendix A
Raw Data from other tribes/governmental entities

Name	Chief	Deputy Chief	Council Members
State of Oklahoma	110,299.00	\$85,500.00	\$38,400.00
Cherokee Nation	\$112,444.00	\$57,241.60	\$36,450.00
Cheyenne-Arapaho Tribes of OK	\$50,000.00	\$35,000.00	\$50,000.00
Chickasaw Nation	\$550,000.00	\$300,000.00	\$20,000.00-\$92,656.00
Comanche Nation	\$40,000.00		\$18,000.00
Muscogee (Creek) Nation	\$100,000.00	\$60,000.00	\$35,000.00
Ft Sill Apache Tribe	\$115,800.00		
Osage Nation	\$95,000.00		\$56,000.00
Pawnee Tribe	\$33,155.20	\$19,884.80	\$19,884.80/\$14,284.80
Sac & Fox Nation	\$60,000.00	\$47,000.00	\$41,000.00/\$35,000.00
Seminole Nation	\$40,000.00	\$35,000.00	\$125 per meeting
	\$10 hourly/	\$10 hourly/	
Thlopthlocco Tribal town	\$250 per meeting	\$250 per meeting	\$250 per meeting
Wyandotte Nation	\$74,693-\$94,016	\$68,140-\$85,467	\$50 per meeting
Miami Tribe	Cannot give out the information per phone call with Charla Gibson.		
Pottawatomie Nation	Cannot give out the information		
United Keetoowah Band	Cannot give out the information		
Iowa Tribe of OK	Cannot give out the information		
Caddo Nation	Cannot give out the information		
Choctaw Nation	Cannot give out the information per email from Cindy Matson 01/03/08.		